

**PT METAHELIX LIFESCIENCES  
INDONESIA**

*Financial Statements  
For The Years Ended On  
March 31, 2017  
with  
Independent Auditors' Report*



**ACHMAD, RASYID, HISBULLAH & JERRY  
REGISTERED PUBLIC ACCOUNTANTS**

**Member of : Nozaka Japan Certified Public Accountant Firm  
IZIN USAHA KEMENKEU NOMOR : 586/KM.1/2007**

**Head Office :**

Jl. Kepu Barat No 90-91 B Kemayoran Jakarta Pusat 10620

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**Branch Office :**

Jakarta Kebayoran, Bandung & Semarang

PT. METAHELIX LIFESCIENCES INDONESIA

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BOARD OF DIRECTORS STATEMENT  
REGARDING  
THE RESPONSIBILITY FOR FINANCIAL  
STATEMENT AS AT  
MARCH 31, 2017  
AND FOR THE YEAR ENDED AT  
MARCH 31, 2017

**PT. METAHELIX LIFESCIENCES INDONESIA**

I, the undersigned :

Name : Mr. Sambit Kumar Mohanty  
Office address : Veteran I No. 2-5 , Central Jakarta  
Phone number : 021 - 3843284  
Position : President Director

Hereby declare that :

1. We are responsible for the preparation and presentation of PT. Metahelix Lifesciences Indonesia financial statements.
2. PT. Metahelix Lifesciences Indonesia financial statements have been prepared and presented in accordance with accounting principles PSAK accepted in Indonesia.
3. a. All information in these financial statements PT. Metahelix Lifesciences Indonesia has been disclosed in a complete and truthful manner;  
b. PT. Metahelix Lifesciences Indonesia financial statements do not contain any incorrect information or material fact, nor do they omit information or material fact;
4. We are responsible for PT. Metahelix Lifesciences Indonesia internal control system.
- 5 This statement is issued to PT ARH & J in connection with Statutory Audit.

We certify the accuracy of this statement.

For and on behalf of the Board of Directors.

*Sambit Kumar Mohanty*  


Mr. Sambit Kumar Mohanty  
President Director  
Jakarta, April 13, 2017



**ACHMAD, RASYID, HISBULLAH & JERRY**  
**REGISTERED PUBLIC ACCOUNTANTS**  
**KANTOR PUSAT : NIU. KAP : 586/KM.I/2007**  
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Website : www.kapjerry-arhj.com, E-mail : kap\_arhj@yahoo.co.id  
**Cabang** : Jakarta Kebayoran, Bandung & Semarang

**INDEPENDENT AUDITOR'S REPORT**

No : 09/ARHJ-RD/ARF-MLI/GA/04.17

**To Shareholders, Commissioners and Directors**  
**PT METAHELIX LIFESCIENCES INDONESIA**

We have audited the accompanying financial statements **PT METAHELIX LIFESCIENCES INDONESIA** ("the Company") which, comprise the statement of financial position as of March 31, 2017 and the statement of profit or loss and other comprehensive income, changes in equity, and cash flows for the period April 1, 2016 until March 31, 2017, then ended and a summary of significant accounting policies and other explanatory information.

***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's responsibility***

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assesment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assesments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**ACHMAD, RASYID, HISBULLAH & JERRY**  
**REGISTERED PUBLIC ACCOUNTANTS**  
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Website : www.kapjerry-arhj.com, E-mail : kap\_arhj@yahoo.co.id  
**Cabang** : Jakarta Kebayoran, Bandung & Semarang

**Opinion**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT METAHELIX LIFESCIENCES INDONESIA** as of March 31, 2017, and its financial performance and cash flows for the period April 1, 2016 until March 31, 2017, in accordance with Indonesian Financial Accounting Standards.

**REGISTERED PUBLIC ACCOUNTANTS**  
**ACHMAD, RASYID, HISBULLAH & JERRY**



**DR. Achmad R. K., Ak., MM., CPA., CA**  
Public Accountant Registration Number AP.0102

Jakarta, 13 April , 2017

**Notice to Reader**

The accompanying financial statements are not intended to present the financial position, result of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Indonesia.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**STATEMENTS OF FINANCIAL POSITION**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

	Notes	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	2c,2e,2t,3	1.574.979.458
Other Receivables	2g,2s,4	-
Inventories	2c,2h,2s,5	520.182.448
Prepaid Taxes	2n,10a	7.100.000
Prepaid Expenses	2c,2i,6	50.200.000
<b>Total Current Assets</b>		<b>2.152.461.906</b>
<b>NON-CURRENT ASSETS</b>		
Fixed assets	2j,7	30.377.873
Net of accumulated depreciation of Rp 6.842.177 as of 2017.		
<b>Total Non-Current Assets</b>		<b>30.377.873</b>
<b>TOTAL ASSETS</b>		<b>2.182.839.779</b>

*The accompanying notes form an integral part of these financial statements*

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**STATEMENTS OF FINANCIAL POSITION**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

	Notes	2017
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Trade Payables	2c,2s,8	327.670.021
Accrued Expenses	2c,2s,9	148.670.422
Taxes Payable	2n,10b	1.442.200
<b>Total Current Liabilities</b>		<b>477.782.643</b>
<b>EQUITY</b>		
Capital Stock		
Rp 16.984 (USD 1) per value per share. Authorized 3.163.250.000 shares, issued and fully paid 3.163.250.000 shares.		
	11	3.163.250.000
Paid in capital because description of financial report in foreign exchange		208.501.250
Accumulated Deficit		(1.666.694.114)
<b>Total Equity</b>		<b>1.705.057.136</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2.182.839.779</b>

*The accompanying notes form an integral part of these financial statements*

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

	<b>Notes</b>	<b>2017</b>
<b>Net sales</b>	12	-
<b>Cost of goods sold</b>	13	-
<b>Gross profit</b>		-
Operating expenses	2l,2m,14	1.620.754.336
<b>Operating Net</b>		<u>(1.620.754.336)</u>
<b>Other Income</b>	2l,15	
Interest income		2.132.883
Gain on Foreign Exchange		49.682.086
		<u>51.814.969</u>
<b>Other Expense</b>	2l,16	
Final Tax on Interest Bank Income		(426.338)
Loss on Forex Exchange		(97.328.408)
		<u>(97.754.746)</u>
<b>Income (loss) before tax</b>		<b>(1.666.694.114)</b>
<b>Income tax</b>	2n,10c	
Current		-
Deferred		-
		<u>-</u>
<b>Net / (Loss ) income</b>		<u><b>(1.666.694.114)</b></u>

*The accompanying notes form an integral part of these financial statements*



**PT. METAHELIX LIFESCIENCES INDONESIA**  
**STATEMENTS OF CHANGES IN EQUITY**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

	Share Capital	Additional paid-in capital	Paid in capital because description of financial report in foreign exchange	Accumulated Deficit	Total equity
Balance as at March 31, 2016	3.163.250.000	-	-	-	3.163.250.000
Forex Exchange	-	-	208.501.250	-	208.501.250
Total comprehensive income for the year	-	-	-	(1.666.694.114)	(1.666.694.114)
Balance as at March 31, 2017	3.163.250.000	-	208.501.250	(1.666.694.114)	1.705.057.136

*The accompanying notes form an integral part of these financial statements*

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**STATEMENTS OF CASH FLOW**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

	<b>2017</b>
<b>I. CASH FLOW FROM OPERATING ACTIVITIES</b>	
<i>Net Profit / (Loss) For The Year</i>	(1.666.694.114)
<i>Depreciation</i>	6.842.177
<b>Changes in Working Capital:</b>	
<i>Other Receivables</i>	3.151.666.500
<i>Inventories</i>	(520.182.448)
<i>Prepaid Taxes</i>	(7.100.000)
<i>Prepaid Expenses</i>	(50.200.000)
<i>Trade Payables</i>	327.670.021
<i>Accrued Expenses</i>	148.670.422
<i>Taxes Payable</i>	1.442.200
<b>Net Cash Flows Provided (Used) by Operating Activities</b>	<b>1.392.114.758</b>
<b>II. CASH FLOW FROM INVESTMENT ACTIVITIES</b>	
<i>Release (Acquisition) Fixed Assets</i>	(37.220.050)
<b>Net Cash Flows Provided (Used) by Investment Activities</b>	<b>(37.220.050)</b>
<b>III. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Forex Exchange Capital	208.501.250
<b>Net Cash Flows Provided (Used) by Financing Activities</b>	<b>208.501.250</b>
<b>Increase (Decrease) Net Cash and Cash Equivalents</b>	1.563.395.958
Cash And Cash Equivalent Beginning Balance	11.583.500
<b>CASH AND CASH EQUIVALENT ENDING BALANCE</b>	<b>1.574.979.458</b>

*The accompanying notes form an integral part of these financial statements*

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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## 1. GENERAL INFORMATION

### Establishment and General Information

PT METAHELIX LIFESCIENCES INDONESIA (the Company) was incorporated on May 18, 2015 in accordance with the Deed TITIEK IRAWATI SUGIANTO, SH.,. Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. AHU-2442332.AH.01.01. year 2015, dated June 18, 2015. The company was established in the framework of Foreign Capital Investment Law No. 25 of 2007.

This deed was amended, the latter is the deed No. 7 on August 8, 2016 by Notary TITIEK IRAWATI SUGIANTO, SH. in Central Jakarta. This change has been approved by the Minister of Justice of the Republic of Indonesia in accordance Probate AHU-0057636.AH.01.11.TAHUN No. 2016 dated May 10, 2016.

The Company is domiciled and headquartered in Central Jakarta Jl. Thamrin Residence Park Blok RB No. 15 F Kebon Melati Tanah Abang Jakarta.

In accordance with article 3 of the purpose and objective of the company is conducting business in the fields of rice and corn crops. To achieve its goals and objectives, the company can carry out business activities include land preparation, planting and / or seeding of land, land maintenance, harvest, post-harvest if it becomes a unity above; activity Cereal crops of corn, rice crops and paddy fields until the resulting product dried grain (GKB).

### Directors and Commissioners

The members of the Company's commissioners and directors as of March 31, 2017 are as follows:

	<b>2017</b>
President Commissioner	Mr. Narayanan Kottaram Krishnadas
Commissioner	Mr. Suresh Gobindram Vaswani
President Director	Mr. Sambit Kumar Mohanty
Director	Mr. Purnachandra Rao Sirigineedi

The remuneration package to Board of Directors and Commissioners and foreign employees have no agreement in form of allowance, pension plan or other special benefits during year 2017 .

As of March 31, 2017 the company employed 3.

During the period April 1, 2016 to March 31, 2017, the company no activity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presented below are the principal accounting policies applied in the preparation of the financial statements which have been prepared in accordance with Indonesian Financial Accounting Standards.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Preparation of financial statements**

The financial statements have been prepared in accordance with Indonesia Financial Accounting Standard, such as the Statements of Financial Accounting Standards (PSAK) and Regulation No. VIII.G.7 regarding Financial Statements Presentation Guidelines included in the Appendix of the Decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No.KEP-06/PM/2000 dated March 13, 2000 amended by No. KEP-554/BL/2010 dated December 30, 2010 and Circular Letter No. SE-02/PM/2002 regarding "Guidelines on Preparation and Disclosures of Financial Statements of Issuers or Publicly Listed Companies.

The financial statements have been prepared in accordance with Statements of Financial Accounting Standards (PSAK) No. 1 (Revised 2009), "Presentation of Financial Statements".

The Company's annual financial reporting begins on April 1 and ends on March 31.

The Company's financial statements are prepared on the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies and in conformity with Financial Accounting Standard established by the Indonesian Institute of Accountants. The Company's financial statements are prepared under the accrual basis of accounting, except for the statements of cash flows.

The statements of cash flows classified cash receipts and payments into operating, investing and financing activities. The cash flows from operating activities are presented using the direct method.

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

**b. New Accounting Standards**

The following amendments to standards are mandatory for the first time for the financial year beginning 1 April 2016.

- PSAK No. 1                      Presentation of Financial Statements

Entities can choose whether to present one performance statement (the statement of comprehensive income). The Company has elected to present one statement. The financial statements have been prepared under the revised disclosure requirements.

- PSAK No. 3                      Interim Financial Reporting

The standard requires the interim financial report to contain a statement of comprehensive income for the interim period reported and the year-to-date presented as either in one statement . Statement of comprehensive income comparatives should be given for the comparative interim period, but comparatives for the last full financial year are not required. The financial statements have been prepared under the revised disclosure requirements.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Foreign currency transactions and balances**

The Company's books and records are maintained in US Dollars. Transactions involving foreign currencies are recorded at the rates of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in currencies other than US Dollars are translated using prevailing rates at balance sheet date. Gains or losses arising from foreign exchange translation are credited or charged to the statement of income in the current year.

Exchange rates used at statement of financial position dates is Rp 13.321,- (full amount) as at March 2017 for one United States dollar ("US\$"), respectively.

**d. Related party transactions**

Related party represents a person or an entity who is related to the reporting entity :

- (a) A person or a close member of the person's family is related to a reporting entity if that person :
- (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting
- (b) An entity is related to a reporting entity if any of the following conditions applies :
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

All significant transactions and balances with related parties are disclosed in the financial statements.

**e. Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand and in banks and all unrestricted time deposits that are readily convertible to known amount of cash with maturities of three months or less from the date of placements.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Short term investment**

Investments in available-for-sale are stated at fair value. Unrealized gains or losses from the increase or decrease in fair value are recorded as part of equity and recognized as income or expenses of the period when realized. Securities available-for-sale and held temporarily are presented as short term investments. Note 2s.

**g. Trade receivables and other receivables**

The Company accounted for impairment loss based on accounting policies stated in Note 2s.

**h. Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost of raw and supplementary materials is computed using weighted average method. Cost of finished goods is computed based on actual production cost, plus an appropriate allocation of factory overhead.

**i. Prepaid expenses**

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**j. Fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and impairment, if any.

The initial cost of fixed assets consists of purchase price, including import duties and taxes and any directly attributable cost in bringing the fixed assets to its working condition for its intended use. After recognition, fixed assets are measured using the cost model.

Depreciation of fixed assets is computed using the straight-line method, based on the estimated economic useful lives of the related fixed assets, as follows:

	<u>Years</u>
Office Equipment	5
Furniture & Fixtures	5
Computer & Equipment	4

Expenditures for repairs and maintenance of fixed assets to keep the future economic benefits are charged to the statement of income at the time of transactions. Improvements which increase the value (utility) and the estimated useful life of the assets and significant renewals are capitalized.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. The asset's residual values, useful lives and depreciation method are reviewed at least annually.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j. Fixed assets (Continued)**

When assets are retired or otherwise disposed of, the cost and its related accumulated depreciation and impairment are removed from the accounts. An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any resulting gain or loss is included in the statement of income in the current year.

Construction in progress represents building and other infrastructure under construction which is stated based on developing cost, direct employee cost, indirect cost and borrowing cost which is used to fund the construction. Accumulated cost of construction in progress will be transferred to the respective fixed assets account along with the capitalization of borrowing cost when it is completed and ready for use.

**k. Impairment of Non-financial Assets**

An assessment by management of the non-financial asset value is made at each balance sheet date to determine whether there is any indication of impairment of any asset and possible write-down to its recoverable amount whenever events or changes in circumstances indicate that the non-financial asset value is impaired.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The amount of impairment loss (reversal of impairment loss) is charged to (credited in) current period's operat

**l. Revenue and expenses recognition**

Revenue is recognized based on the shipment of the goods to the buyers in accordance with terms of sale. Expense is recognized when it is incurred (accrual basis).

**m. Leases**

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straightline basis over the period of the lease.

Leases whereby the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased assets and the present value of the minimum lease payments.

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Leases (Continued)**

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The fixed asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statements of income on a straight-line basis over the lease term.

**n. Income tax**

Income tax is computed on the basis of taxable income for the period. Deferred income tax is provided for the timing differences in the recognition of income and expenses for financial reporting and income tax purpose. The accounting treatment is in conformity with the Statements of Financial Accounting Standards (PSAK) No. 46, "Accounting for Income Taxes."

Deferred tax is accounted for using the current tax tariff or substantially applicable at the balance sheet date. Deferred tax is charged or credited to the statement of income in the current year.

Deferred tax assets and liabilities are offset in the balance sheets, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to taxation obligation are recorded when the results of the objection and/or appeal are

**o. Earnings per share**

Basic earnings per share is computed by dividing net income by the weighted average number of shares outstanding during the year.

Diluted earnings (loss) per share is computed by dividing net income by the weighted average number of shares outstanding as adjusted for the effects of all potentially dilutive ordinary shares.

**p. Segment information**

Segment information is not presented as the Company had only one type of business segment, which is pulp production.



**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**q. Post-employment benefit**

The Company provides defined benefit post-employment benefits to its employees in accordance with Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of the Company's defined benefit obligations is recognized on straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

**r. Financial instruments**

The Company classifies financial instruments as follows :

**(a). Financial assets**

The Company classifies its financial assets in the following categories of (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets, and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financials assets were acquired. Management determines the classification of its financial assets at initial recognition.

**i. Financial assets at fair value through profit or loss**

A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Financial instruments included in this category are recognized initially at fair value; transaction costs are taken directly to the income statement. Gains and losses arising from changes in fair value and sale of these financial instruments are included directly in the income statement. Interest income on financial instruments held for trading are included in "Interest Income".

**PT. METAHELIX LIFESCIENCES INDONESIA**  
**NOTES TO FINANCIAL STATEMENTS**  
For The Years Ended On March 31, 2017  
*(Expressed in Rupiah, unless otherwise stated)*

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. Financial instruments (Continued)**

**(a). Financial assets (Continued)**

The Company has not classified any financial asset as at FVPL as of March 31, 2017

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. In initial recognition, loans and receivables are recognized at fair value plus transaction costs and subsequently measured at amortized cost using effective interest rate method, less estimate of impairment value.

The Company's cash and cash equivalents, trade receivables, other receivables and certain other non-current assets are included in this category as of March 31, 2017 .

iii. Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Management has the positive intention and ability to hold to maturity, other than: (1) those that the Company upon initial recognition designates as at fair value through profit or loss; (2) those that the Company designates as available for sale; and (3) those that meet the definition of loans and receivables.

These are initially recognized at fair value including transaction costs and subsequently measured at amortized cost, using the effective interest method.

The Company has not classified any financial assets as HTM as of March 31, 2017 .

iv. Available-for-sale financial assets

Available-for-sale financial assets are initially recognized at fair value, plus transaction costs, and measured subsequently at fair value with gains and losses being recognized in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in the statement of changes in equity is recognized in the income statement. Interest income is calculated using the effective interest method, and foreign currency gains or losses on monetary assets classified as available-for-sale are recognized in the income statement.

The Company has classified its short term investments in this category as of March 31, 2017 .

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. Financial instruments (Continued)**

**(b). Financial liabilities**

The Company classified its financial liabilities in the category of (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

**i. Financial liabilities at fair value through profit or loss**

This category comprises of financial liabilities classified as held for trading, and financial liabilities designated as at fair value through profit or loss upon initial recognition.

Changes in fair value financial liabilities are recognized in the statement of income.

The Company has not classified any financial liability as at FVPL as of March 31, 2017 and 2016.

**ii. Financial liabilities measured at amortized cost**

Financial liabilities that are not classified as at fair value through profit and loss fall into this category and are measured at amortized cost. After initial recognition, the Company measures all financial liabilities at amortized cost using effective interest rates method.

The Company's trade payables, other payables, accrued expenses, long-term loans and due to related parties are included in this category as of March 31, 2017 and 2016.

**(c). Determination of fair value**

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the balance sheet date. The quoted market price for financial assets is the bid price and the quoted market for financial liabilities is the ask price. The fair value of financial instruments not traded in active markets is determined using valuation techniques.

**(d). Impairment of financial assets**

The Company's management assesses at the end of each statement of financial position date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

**i. Financial assets carried at amortized cost**

The management first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the management determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. Financial instruments (Continued)**

**(d). Impairment of financial assets (Continued)**

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If the financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss is charged to the statement of income.

**ii. Available for sale (AFS) financial assets**

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the statement of income, is transferred from capital deficiency to the statement of income. Reversals in respect of equity instruments classified as AFS are not reversed through statement of income.

If, in subsequent period, the fair value of a debt instrument increased and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income, the impairment loss is reversed through the statement of income.

**(e). Derecognition of financial assets and financial liabilities**

**i. Financial assets**

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (a) the rights to receive cash flows from the asset have expired; (b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or (c) the Company has transferred its rights to receive cash flows from the asset and either (1) has transferred substantially all the risks and rewards of the asset, or (2) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial assets.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. Financial instruments (Continued)**

**(e). Derecognition of financial assets and financial liabilities (Continued)**

**ii. Financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. The recognition of a new liability and the difference in the respective carrying amounts is recognized in the statement of income.

**s. Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

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3. CASH AND CASH EQUIVALENTS

	2017
Cash on hand :	
Cash (IDR)	8.321.635
<b>Sub Total</b>	<b>8.321.635</b>
Cash in banks:	
<u>Rupiah Account</u>	
SBI Bank AC-IDR-0289	3.394.114
<u>Dollar Account</u>	
SBI Bank AC-US\$-0171	1.563.263.709
<b>Sub Total</b>	<b>1.566.657.823</b>
<b>Total Cash And Cash Equivalents</b>	<b>1.574.979.458</b>

Carry forward Rp11.583.500 as Bank Balance from March 2016 as unaudited  
Company will receive Rp3.163.250.000 as share Capital from both the share holders

4. OTHER RECEIVABLES

	2017
Related Parties:	
Shareholders (Paid in Capital)	-
<b>Total</b>	<b>-</b>

5. INVENTORIES

	2017
Parent seed inventory	520.182.448
<b>Total</b>	<b>520.182.448</b>

Management believes that the entire inventory can be used in the normal course of business. Management stated that there was no decline in the value of inventories.

6. PREPAID EXPENSES

	2017
Prepaid Expenses	50.200.000
<b>Total</b>	<b>50.200.000</b>

**PT. METAHELIX LIFESCIENCES INDONESIA**  
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**7. FIXED ASSETS**

	2017			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
<b>Acquisition cost :</b>				
Office Equipment	-	5.836.800	-	5.836.800
Furniture & Fixtures	-	21.989.250	-	21.989.250
Computer & Equipment	-	9.394.000	-	9.394.000
	<u>-</u>	<u>37.220.050</u>	<u>-</u>	<u>37.220.050</u>
	2017			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending balance</u>
<b>Accumulated Depreciation :</b>				
Office Equipment	-	304.000	-	304.000
Furniture & Fixtures	-	4.581.094	-	4.581.094
Computer & Equipment	-	1.957.083	-	1.957.083
	<u>-</u>	<u>6.842.177</u>	<u>-</u>	<u>6.842.177</u>
<b>BOOK VALUE</b>	<u>-</u>			<u>30.377.873</u>

The depreciation expenses for the year ended March 31, 2017 were allocated as follows :

	2017
General and Administrative Expenses	6.842.177
<b>Total</b>	<u>6.842.177</u>

**8. TRADE PAYABLES**

	2017
<u>Third Parties :</u>	
Trade Creditors - Seeds	327.670.021
<b>Total</b>	<u>327.670.021</u>

**9. ACCRUED EXPENSES**

	2017
Expense Payable	123.670.422
Fee Audit	25.000.000
<b>Total</b>	<u>148.670.422</u>

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**10. TAXATION**

**a. Prepaid Tax**

	2017
Prepaid Tax Article 22	7.100.000
<b>Total</b>	<b>7.100.000</b>

**b. Tax Payable**

	2017
Income Tax - article 23	1.442.200
<b>Total</b>	<b>1.442.200</b>

**c. Deffered Tax Assets**

	2017
<i>Beginning Balance</i>	-
<i>Increase</i>	-
<i>Disbursement</i>	-
<i>Decrease</i>	-
<i>Ending Balance</i>	-

A reconciliation between income before tax per statements of income and taxable income of the Company is as follows:

	2017
Gain (loss) before tax per statement of income	(1.666.694.114)
<u>Tax adjustments :</u>	
Interest Income	-
Others Income	-
Sub Total	-
	<b>2017</b>
Non-deductible expenses - net	-
Income after fiscal correction	(1.666.694.114)
Prior year's tax loss	
Tax adjustment	
Taxable income (loss)	(1.666.694.114)
Rounding	(1.666.694.000)



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**11. CAPITAL STOCK**

The composition of shareholders as of March 31, 2017 based on PT Metahelix Lifesciences Indonesia , are as follows:

Shareholders	Amount of shares	Percentage of ownership	Amount
Mr. Suresh Gobindram Vaswani	63.750	34%	1.613.257.500
Metahelix Life Sciences Limited	122.500	66%	1.549.992.500
	<u>186.250</u>	<u>100%</u>	<u>3.163.250.000</u>

**12. SALES**

	<u>2017</u>
Local Sales Revenue	-
Export Sales Revenue	-
Farm Income	-
<b>Total</b>	<u><u>-</u></u>

**13. COST OF GOODS SALES**

	<u>2017</u>
Beginning Inventory	-
Parrent Seed	435.227.781
Packing Material	374.000
Import Cargo Agent	56.772.900
Import Clearing Charges	27.807.767
Cost of Good Available	<u>520.182.448</u>
End Inventory	<u>(520.182.448)</u>
Cost of Good Sold	-

**14. OPERATING EXPENSES**

	<u>2017</u>
<u>General and administrative expenses:</u>	
Salary Staff - Office	610.883.462
Wages - Office	2.380.000
Welfare - Office	27.531.000
Employee Insurance - Office	1.416.480
Site Office Expense - Office	18.334.000
Transportation Expense - Office	14.898.570
Electrical Expense - Office	12.013.000
Rental Office Expense-Office	92.400.000
Rental Car Expense - Office	18.000.000
Employee Benefit in Kind	209.987.078
Travelling Expense - Office	134.469.744

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**14. OPERATING EXPENSES (Continued)**

	2017
<u>General and administrative expenses: (Continued)</u>	
Professional & Consultancy Expense	275.875.400
Printing & Stationary Expense	2.557.680
License & Renewal Expense	146.646.000
Telecommunication Expense	10.781.822
Advertising Expense	650.000
Mailing, Courier Expense	925.400
BPJS Insurance	2.378.960
Tax Expense	90.000
Entertainment Expense	4.300.000
Depreciation Office Equipment	304.000
Depreciation Furniture & Fixture	4.581.094
Depreciation Computer & Equipment	1.957.083
Bank Charges	2.393.563
Fee Audit	25.000.000
<b>Total</b>	<b>1.620.754.336</b>

**15. OTHER INCOMES**

	2017
Interest Bank Income	2.132.883
Gain on Forex Exchange	49.682.086
<b>Total</b>	<b>51.814.969</b>

**16. INTEREST EXPENSE & OTHER FINANCIAL CHARGES**

	2017
Final Tax on Interest Bank Income	(426.338)
Loss on Forex Exchange	(97.328.408)
<b>Total</b>	<b>(97.754.746)</b>

**17. COMPLETION OF FINANCIAL STATEMENT PREPARATION**

Directors are responsible for the presentation and disclosures of financial statements for the year ended March 31, 2017 which was completed on April 13, 2017.

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