PT ASIAN PAINTS INDONESIA

Independent Auditors' Report

No. GA115 0532 API HA

The Stockholders, Board of Commissioners and Director
PT Asian Paints Indonesia

We have audited the accompanying financial statements of PT Asian Paints Indonesia, which comprise the statement of financial position as of March 31, 2015, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period from December 23, 2014 (Inception Date) to March 31, 2015, 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 these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an op1mon on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 such financial statements.

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

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Asian Paints Indonesia as of March 31, 2015, and its financial performance and its cash flows for the period from December 23, 2014 (Inception Date) to March 31, 2015, in accordance with International Financial Reporting Standards.

OSMAN BING SATRIO & ENY

Henri Arifian
Public Accountant License No. AP.0561

April 30, 2015

Statement of Financial Position

As at March 31, 2015

	Notes	March 31, 2015 Rp
ASSETS		
Other accounts receivable from third parties		6,341,330
Prepayments	13	56,861,581
Security deposits	13	166,985,909
TOTAL ASSETS		**230,188,820**
CAPITAL DEFICIENCY AND LIABILITIES		
CAPITAL DEFICIENCY		
Capital stock - Rp 11,985 par value per share		
Authorized - 48,000 shares		
Subscribed - 12,000 shares in 2015	5,11	143,820,000,000
Subscription receivables	11	(143,820,000,000)
Deficit		(181,510,358)
Capital Deficiency		**(181,510,358)**
LIABILITIES		
Other accounts payable to a third party	6	3,129,521
Amount due to shareholder	7	356,807,265
Taxes payable	8	12,502,382
Accrued expense	9	39,260,010
Total Liabilities		**411,699,178**
TOTAL CAPITAL DEFICIENCY AND LIABILITIES		**230,188,820**

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

Statement of Comprehensive Income

for the period from December 23, 2014 (Inception Date) to March 31, 2015

	Notes	Period from December 23, 2014 (Inception Date) to March 31, 2015 Rp
General and administrative expenses	9	178,527,384
Other losses - net		2,982,974
LOSS BEFORE TAX		**181,510,358**
INCOME TAX	10	-
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE INCOME		**181,510,358**

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

Statement of Changes in Equity

for the period from December 23, 2014 to March (Inception Date) 31, 2015

	Subscribed Capital Stock Rp	Subscription Receivables Rp	Deficit Rp	Capital Deficiency Rp
Capital issuance	143,820,000,000	(143,820,000,000)	-	-
Total comprehensive loss for the period	-	-	(181,510,358)	(181,510,358)
Balance as of March 31, 2015	143,820,000,000	(143,820,000,000)	(181,510,358)	(181,510,358)

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

Statement of Cash Flows

for the period from December 23, 2014 (Inception Date) to March 31, 2015

	Period from December 23, 2014 (Inception Date) to March 31, 2015 Rp
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss before tax	(181,510,358)
Changes in operating assets and liabilities:	
Prepayments	(56,861,581)
Security deposits	(166,985,909)
Other accounts receivable from third parties	(6,341,330)
Other accounts payable to a third party	3,129,521
Accrued expense	39,260,010
Taxes payable	12,502,382
Net Cash Used in Operating Activities	(356,807,265)
CASH FLOWS FROM FINANCING ACTIVITY	
Amounts due to shareholder	356,807,265
CASH ON HAND AND IN BANK AT END OF PERIOD	-

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

Notes to Financial Statements

For the year ended 31st March, 2015

1. GENERAL

PT Asian Paints Indonesia (the Company) was established within the framework of the Foreign Capital Investment Law no. 25 year 2007 and 2665/1/IP/PMA/2014 year 2014 based on the notarial deed No. 8 dated December 19, 2014 of Novita Puspitarini, SH. The deed of establishment was approved by Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-41108.40.10.2014 dated December 23, 2014.

The Company is domiciled in South Jakarta and its registered office address is at Marquee Office, 17th Floor, Pondok Indah Office Tower 3, Jl. Sultan Iskandar Muda V, Jakarta 12310, Indonesia.

In accordance with article 3 of the Company's articles of association, the scope of its activities comprises industry of paint and printing ink. The Company has not yet started commercial operations. The Company has 1 employee as at March 31, 2015.

The Company's management as at March 31, 2015 consists of the following:

President Commissioner	: Mr. Jalaj Ashwin Dani
Commissioners	: Mr. Indrakumar Jaiswal
	Mr. Jeyamurugan Ramalingam
Director	: Mr. Rahul Bhatnagar

On April 20, 2015, the Company amended its articles of association through notarial deed No. 8 of Novita Pusparini, S.H., public notary in South Jakarta, to appoint Mr. Rahul Bhatnagar as President Director and Mr. Ivan Ferdiansyah Baely as Director.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a. Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year

In the current year, the following amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) are mandatorily effective for an accounting period that begins on or after January 1, 2014.

- Amendment to IAS 32 Offsetting Financial Assets and Financial Liabilities

  The Company has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

  The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosure or on the amounts recognised in the Company financial statements.

- Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets

  The Company has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount if a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair value Measurements.

  The application of these amendments has had no material impact on the disclosure in the Company financial statements.

- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

  The Company has applied amendments to IAS 39 Novation of Derivatives and Contionuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Company financial statements.

- IFRIC 21 Levies

  The Company has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that give rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

  IFRIC 21 has been applied retrospectively. The application of this interpretation has had no material impact on the disclosures or on the amounts recognised in the Company financial statement.

b. New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

i. Effective for annual periods beginning on or after July 1, 2014:
   - Amendments to IAS 19, Defined Benefit Plans: Employee Contributions
   - Amendments to IFRSs, Annual Improvements to IFRSs 2011-2013 Cycle
   - Amendments to IFRSs, Annual Improvements to IFRSs 2010-2012 Cycle

ii. Effective for annual periods beginning on or after January 1, 2016:
   - Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations
   - Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation
   - Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants

iii. Effective for annual periods beginning on or after January 1, 2017:
   - IFRS 15, Revenue from Contracts with Customers

iv. Effective for annual periods beginning on or after January 1, 2018:
   - IFRS 9, Financial Instruments

As of the issuance date of the financial statements, the effect of adoption of those standard and interpretation on the financial statements is not known nor reasonably estimable by management.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

b. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in IAS 2 or value in use in IAS 36.

c. **Foreign Currencies**

In preparing the financial statement of each individual entity, transactions in currencies other than entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these financial statements, the assets and liabilities of the Company's foreign operations are translated into Indonesian Rupiah using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attribute to non-controlling interests as appropriate).

d. **Transactions with Related Parties**

A related party is a person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the 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 entity.

b. An entity is related to the 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); and

   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 a parent of the entity).

   All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

e. **Financial Instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

f. **Financial Assets**

The financial assets at the Company are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

g. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of their liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

h. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

i. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduce to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the Company's management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of Loans and Receivables

The Company assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred.

5. CAPITAL STOCK

The composition of the Company's shareholders as at March 31, 2015 is as follows:

Name of Shareholders	Number of Shares	Percentage of Ownership	Total Capital
Berger International Limited	11,999	100%	143,808,015,000
Mr. Jalaj Ashwin Dani	1	0%	11,985,000
Total	12,000	100%	143,820,000,000

6. OTHER ACCOUNTS PAYABLE A TO THIRD PARTY

This account represents payable to a third party for service charges related to office rental (Note 13). This amount is non-interest bearing and payable on demand.

7. AMOUNTS DUE TO SHAREHOLDER

This amount represents payments made by Berger International Limited on behalf of the Company. The amount is non-interest bearing and payable on demand.

8. TAXES PAYABLE

	March 31, 2015 Rp
Income tax article 4(2)	12,315,132
Income tax article 21	187,250
	12,502,382

9. GENERAL AND ADMINISTRATIVE EXPENSE

	Period from December 23, 2014, (Inception date) to March 31, 2015 Rp
Office rental (Note 13)	132,767,374
Professional fee	39,260,010
Salary	6,500,000
Total	178,527,384

10. INCOME TAX

Current Tax

No current tax expense was recognised in 2015 as the Company is under fiscal loss position.

Deferred Tax

The fiscal loss can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred. Management believes there is no probable future taxable profits will be available to utilize accumulated fiscal losses. Hence, no deferred tax was recognized on such fiscal losses.

11. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationships

a. Berger International Limited is the Company's shareholder.

b. Asian Paints Limited is the ultimate parent of the Company.

Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

a. The Company had several transactions with Berger International Limited as disclosed in Notes 7 and 9.

b. As of March 31, 2015, the payments for subscription of the Company's capital stocks from shareholders are not yet received and are recorded as "subscription receivables".

12. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT

a. Capital management

The Company manages capital risk to ensure that they will continue as a going concern by acquiring from parent financial support for the start of its operations. The Company defines its capital structure as a capital stock.

b. Categories of financial instruments

	Loans and receivables Rp
March 31, 2015	
Financial assets	
Other accounts receivable from third parties	6,341,330
Security deposits	166,985,909
Total financial assets	173,327,239

	Liabilities at amortized cost Rp
Financial liabilities	
Other accounts payable to a third party	3,129,521
Amount due to shareholder	356,807,265
Taxes payable	12,502,382
Accrued expenses	39,260,010
Total financial liabilities	411,699,178

c. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, at the same time managing exposure to financial risks.

The management guided by approved policies and procedures is generally responsible to manage the financial risks relating to the operations of the Company. The Company's risk management program mainly focuses on its credit risk to minimize exposure that will adversely affect the performance of the Company.

The Company does not engage into trading of financial instruments, including derivative financial instruments for speculative purpose. Accordingly, management considers that the Company's exposure to current market risk is very minimal.

i. Interest rate risk management

The Company's exposure to interest rate risks is not significant because there is no interest bearing borrowings.

ii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligation resulting in a loss to the Company.

The Company's exposure to credit risk is primarily attributable to its other accounts receivable from a third party.

iii. Liquidity risk management

Liquidity risk management include managing the profile of debt maturities and funding sources and maintaining sufficient cash.

The financial liabilities which consist of other accounts payable to third party and related party are estimated to be repayable within 1 year.

d. Fair value measurements

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the financial statements approximate their fair values in the financial statements as of March 31, 2015 due to their short-term maturities.

13. SIGNIFICANT CONTRACTS AND COMMITMENTS

The Company entered into contracts with PT Karya Central Bisnis for the office rental at Pondok Indah Office Tower 3, 17th floor, Jl. Sultan Iskandar Muda, Kav V-TA Pondok Indah, Jakarta, as follows:

- Unit M06 for 6 months from January 15, 2015 to July 14, 2015, with rental fee of US$ 1,580 per month excluding 10% VAT, and security deposit of US$ 3,160 (equivalent to Rp 41,353,877); and
- Unit M58 for 6 months from March 2, 2015 to September 1, 2015, with rental fee of US$ 4,800 per month excluding 10% VAT, and security deposit of US$ 9,600 (equivalent to Rp 125,632,032).

14. MANAGEMENT RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 2 to 16 were the responsibilities of the management, and were approved by the Directors and authorized for issue on April 30, 2015.