

**PT ORIENTAL AROMATICS**

**Independent Accountants Report  
On the Agreed Upon Procedures of  
The Financial Statements  
As Of March 31, 2018  
And For The Year Then Ended**

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**Yonathan & Rekan**  
**Registered Public Accountants**

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**Independent Accountants Report  
On the Agreed Upon Procedures**

No. 043/Y&R/V/2018/Y

**Shareholders, Commissioner and Directors  
PT Oriental Aromatics**

We have performed the procedures agreed with you and specified below related to the preparation of statement of financial position of PT Oriental Aromatics ("the Company") as of March 31, 2018 and the statement of profit or loss and other comprehensive income, changes in capital deficiency and cash flows for the year then ended. Our engagement was undertaken based on Related Service Standards which applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in preparing the financial statements as of March 31, 2018 and for the year then ended, are summarized as follows:

- We obtained the details of all accounts based on the statement of financial position of the Company as of March 31, 2018
- We reconciled the information in the statement of financial position to the accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).
- We obtained the details of statement of profit or loss and other comprehensive income of the Company for twelve months period from April 1, 2017 - March 31, 2018.
- We reconciled the information in statement of profit or loss and other comprehensive income to the accounting system and records (e.g. trial balance, general ledger accounts, sub ledgers etc.).

Our findings are presented in the statement of financial position as of March 31, 2018 and the statements of profit or loss and other comprehensive income, changes in capital deficiency and cash flows for the year then ended.

Therefore, the above procedures do not constitute either an audit or a review made in accordance with Auditing Standards or Standard Engagement Review established by the Indonesian Institute of Certified Public Accountants, we do not express any assurance on the financial statements as of March 31, 2018. We stated no opinion or other conclusion in the statement of financial position as of March 31, 2018 and the statements of profit or loss and other comprehensive income, changes in capital deficiency and cash flows for the year then ended.

Had we performed additional procedures or had we performed an audit or review of the Company's financial statements based on Auditing Standards or Standard Engagement Review established by the Indonesian Institute of Certified Public Accountants, other matters might have come to our attention that would have been reported to you.



Our report is solely for the purpose set forth in the first paragraph of this report and for your information only and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the accounts and items specified above and does not extend to financial statements of the Company taken as a whole.

**KAP YONATHAN DAN REKAN**

A handwritten signature in black ink, appearing to read 'Jonathan Augustine', written over a faint circular stamp.

**Jonathan Augustine, CPA**  
**Public Accountant License No. AP.1045**

May 23, 2018

**PT ORIENTAL AROMATICS**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2018**  
(Expressed in Rupiah, unless otherwise stated)

	Note	2018	2017
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and banks	3	770,688,941	7,384,560,671
Trade receivables	4		
Related party		-	20,569,223,985
Third parties		1,243,628,770	248,919,108
Other receivables			
Related parties	5	151,316,000	-
Third parties		-	8,145,083
Inventories	6	175,755,150	-
Prepaid expenses and advances	7	222,807,512	54,286,674
Prepaid tax	16a	3,898,036,097	3,846,683,291
Deposit		121,095,000	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,583,327,470</b>	<b>32,111,818,812</b>
<b>NON-CURRENT ASSETS</b>			
Fixed assets - net	8	1,382,138,479	-
Deffered tax asset	16d	17,235,262	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,399,373,741</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>7,982,701,211</b>	<b>32,111,818,812</b>

**PT ORIENTAL AROMATICS**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2018**  
(Expressed in Rupiah, unless otherwise stated)

	Note	2018	2017
<b>LIABILITIES AND CAPITAL DEFICIENCY</b>			
<b>CURRENT LIABILITIES</b>			
Short term bank loan	14	-	10,470,306,000
Trade payables	9		
Related party		1,717,685,007	8,527,811,005
Third parties		1,179,189,661	298,223,888
Other payables	10	815,760,926	-
Accrued expenses	11	363,386,705	-
Taxes payables	16b	29,663,111	260,140,305
Unearned revenue		61,992,022	-
Vehicle ownership payable current portion	12	175,558,212	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,343,235,644</b>	<b>19,556,481,198</b>
<b>NON-CURRENT LIABILITIES</b>			
Vehicle ownership payable net off current portion	12	219,448,130	-
Employee benefits liabilities	17	68,941,045	-
Due to related party	13	15,221,014,000	21,380,205,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>15,509,403,175</b>	<b>21,380,205,000</b>
<b>TOTAL LIABILITIES</b>		<b>19,852,639,819</b>	<b>40,936,686,198</b>
<b>CAPITAL DEFICIENCY</b>			
Share capital			
Authorized, issued and fully paid - 250,000 shares at par value Rp9,603 per share	15	2,506,383,000	2,400,750,000
Exchange difference on paid in capital		42,779,000	
Deficit		(14,419,100,608)	(11,225,617,386)
<b>TOTAL CAPITAL DEFICIENCY</b>		<b>(11,869,938,608)</b>	<b>(8,824,867,386)</b>
<b>TOTAL LIABILITIES AND CAPITAL DEFICIENCY</b>		<b>7,982,701,211</b>	<b>32,111,818,812</b>

**PT ORIENTAL AROMATICS**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED AS OF MARCH 31, 2018**  
**(Expressed in Rupiah, unless otherwise stated)**

	Note	2018	2017
<b>SALES</b>	18	3,221,364,778	40,521,033,724
<b>COST OF SALES</b>	19	2,623,468,482	39,573,149,982
<b>GROSS PROFIT</b>		<b>597,896,296</b>	<b>947,883,742</b>
<b>OPERATING EXPENSES</b>			
General and administrative expenses	20	2,503,625,738	4,149,487,906
<b>OPERATING LOSS</b>		<b>(1,905,729,442)</b>	<b>(3,201,604,164)</b>
<b>NON-OPERATING INCOME (EXPENSES)</b>			
Interest income		18,597,892	1,769,453
Bank charges		(24,939,085)	(47,383,975)
Interest expense		(835,676,035)	(750,863,977)
Loss on foreign exchange		(472,315,852)	(15,435,086)
Gain on fixed assets disposal		-	571,093,468
<b>TOTAL NON-OPERATING EXPENSES - net</b>		<b>(1,314,333,080)</b>	<b>(240,820,117)</b>
<b>LOSS BEFORE DEFERRED INCOME TAX BENEFITS</b>		<b>(3,220,062,522)</b>	<b>(3,442,424,281)</b>
Deferred income tax benefits	16d	19,571,271	-
<b>NET LOSS FOR THE YEAR</b>		<b>(3,200,491,251)</b>	<b>(3,442,424,281)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Remeasurement of employee benefits obligations	17	9,344,037	-
Related income tax benefits	16d	(2,336,009)	-
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>7,008,028</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(3,193,483,223)</b>	<b>(3,442,424,281)</b>

**PT ORIENTAL AROMATICS  
STATEMENT OF CAPITAL DEFICIENCY  
FOR THE YEAR ENDED AS OF MARCH 31, 2018  
(Expressed in Rupiah, unless otherwise stated)**

	<b>Issued and Fully Paid Shares Capital</b>	<b>Exchange difference on paid in capital</b>	<b>Deficit</b>	<b>Total Capital Deficiency- Net</b>
<b>Balance, March 31, 2016</b>	<b>2,400,750,000</b>	-	<b>(7,783,193,105)</b>	<b>(5,382,443,105)</b>
Total comprehensive loss as of April 1, 2016 up to March 31, 2017	-		(3,442,424,281)	(3,442,424,281)
<b>Balance, March 31, 2017</b>	<b>2,400,750,000</b>	-	<b>(11,225,617,386)</b>	<b>(8,824,867,386)</b>
Paid in capital	105,633,000	-	-	105,633,000
Total comprehensive loss as of April 1, 2017 up to March 31, 2018	-	-	(3,193,483,223)	(3,193,483,223)
Exchange difference on paid in capital	-	42,779,000	-	42,779,000
<b>Balance, March 31, 2018</b>	<b>2,506,383,000</b>	<b>42,779,000</b>	<b>(14,419,100,608)</b>	<b>(11,869,938,608)</b>

**PT ORIENTAL AROMATICS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED AS OF MARCH 31, 2018**  
**(Expressed in Rupiah, unless otherwise stated)**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before deferred income tax benefits	(3,220,062,522)	(3,442,424,281)
Adjustment for:		
Depreciation	141,229,771	165,548,824
Employee benefits	78,285,082	-
Interest expense	835,676,035	750,863,977
Unrealized forex	(2,904,000)	-
Gain on fixed assets disposal	-	(571,093,468)
Changes in working capital:		
Trade receivables	19,574,514,323	(16,588,431,949)
Other receivables	8,145,083	(8,145,083)
Inventories	(175,755,150)	25,586,828,970
Prepaid expenses and advance	(168,520,839)	106,345,842
Prepaid tax	(51,352,807)	(673,229,302)
Deposit	(121,095,000)	-
Trade payables	(5,929,160,220)	(8,858,933,955)
Taxes payables	(230,477,194)	195,793,519
Other payable	815,760,926	-
Unearned revenue	61,992,022	-
Accrued expenses	363,386,705	-
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>11,979,662,214</b>	<b>(3,336,876,906)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceed from sales of fixed assets	-	2,380,235,412
Purchase of fixed assets	(996,693,250)	(253,988,000)
<b>Net Cash Provided by (used in) Investing Activities</b>	<b>(996,693,250)</b>	<b>2,126,247,412</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Vehicle ownership payable	(131,668,659)	-
Interest expense	(835,676,035)	(750,863,977)
Due to related party	(6,159,191,000)	10,029,291,380
Short term bank loan	(10,470,306,000)	(1,146,194,000)
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>(17,596,840,694)</b>	<b>8,132,233,403</b>
<b>NET INCREASE (DECREASE) IN CASH AND BANKS</b>	<b>(6,613,871,730)</b>	<b>6,921,603,909</b>
<b>CASH AND BANKS AT BEGINNING OF YEAR</b>	<b>7,384,560,671</b>	<b>462,956,762</b>
<b>CASH AND BANKS AT END OF YEAR</b>	<b>770,688,941</b>	<b>7,384,560,671</b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

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**1. GENERAL**

**ESTABLISHMENT OF THE COMPANY**

PT Oriental Aromatics (the "Company") was established in Indonesia on March 7, 2013 based on approval from the Minister of Justice and Human Right of the Republic of Indonesia in its Decision Letter No.AHU-11366.AH.01.01.on 2013 that approves the deed of establishment in Notarial Deed No. 27 of Suwanda S.H., M.Kn. Its articles of association has been amended several times, the latest amended by Notarial Deed No. 06 of Mochamad Nova Faisal, SH., M.KN dated August 01, 2017 concerning the changes of the Board of Commissioners and Director. The Notarial Deed was acknowledged and recorded by the Minister of Law and Human Rights of Republic Indonesia in his decision letter No. AHU-AH.01.03.0164769 dated August 23, 2017.

According to Article 3 of the Company's articles of association, the Company engaged in cosmetics industry which include trading and manufacturing of flavour and fragrance.

The Company started its commercial operations in 2013.

**Commissioner and Director**

The composition of the Company's commissioner and board of directors as of March 31, 2018 and 2017, are as follows:

Shyamal Anil Bodani	-	Commissioner
Kalidas K. Nathani	-	President Director
Dharmil Anil Bodani	-	Director
Winisha	-	Director

**2. SCOPE OF WORK**

These procedures and the scope of the agreed upon procedures aims to prepare the Company's statement of financial position as of March 31, 2018 and 2017 and the statements of profit or loss and other comprehensive income, changes in capital deficiencies and cash flows for the years then ended.

The reporting currency used in the financial statements is Rupiah .

Transactions during the year in currencies other than Rupiah are recorded in the exchange rates prevailing at the transaction date. On the reporting date, monetary assets and liabilities in currencies other than Rupiah are adjusted to reflect the exchange rates prevailing at that date and the resulting gains or losses arising are credited or charged to the current year.

As of March 31, 2018 and 2017, the exchange rate used for USD1 are Rp13,756 and Rp13,321 respectively.

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**3. CASH AND BANKS**

This account consists of:

	<b>2018</b>	<b>2017</b>
Cash	13,490,155	77,937
Bank		
USD		
Standard Chartered Bank, Indonesia	514,944,580	7,270,191,864
PT Bank Central Asia Tbk	24,160,076	41,672,151
Rupiah		
PT Bank Central Asia Tbk	218,094,130	72,618,719
Subtotal cash in bank	757,198,786	7,384,482,734
<b>Total</b>	<b>770,688,941</b>	<b>7,384,560,671</b>

**4. TRADE RECEIVABLES**

This account consists of:

	<b>2018</b>	<b>2017</b>
<b>Related party</b>		
Oriental Aromatics Limited	-	20,569,223,985
<b>Third party</b>		
CV Global Imperium	655,640,590	-
CV Bali Khrisna Aromatics	198,034,154	156,596,329
UD You Clean Indonesia	79,644,468	-
Ismail Hasan	67,130,000	-
Yahya Hasan	58,475,628	-
CV Pranatya Abadi	45,655,125	-
CV Agung Mandiri	43,263,462	43,263,462
PT Orson Indonesia	19,525,577	19,525,577
Agus	6,361,640	29,533,740
Others	69,898,126	-
Subtotal	1,243,628,770	248,919,108
<b>Total</b>	<b>1,243,628,770</b>	<b>20,818,143,093</b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**4. TRADE RECEIVABLES (continued)**

The details of trade receivables based on currencies are follows:

	<b>2018</b>	<b>2017</b>
Rupiah	1,243,628,770	248,919,108
USD (equivalent with USD1,544,120 as of March 31,2017)	-	20,569,223,985
<b>Total</b>	<b>1,243,628,770</b>	<b>20,818,143,093</b>

The details of trade receivables based on aging of trade receivables are as follows:

	<b>2018</b>	<b>2017</b>
Related party		
Past due:		
31 - 60 days	-	1,437,994,224
More than 90 days	-	19,131,229,761
<b>Total related party</b>	<b>-</b>	<b>20,569,223,985</b>
Third parties		
Not yet due	-	-
Past due:		
1 - 30 days	277,410,222	-
31 - 60 days	33,466,500	-
61 - 90 days	9,926,625	-
More than 90 days	922,825,423	248,919,108
<b>Total third parties</b>	<b>1,243,628,770</b>	<b>248,919,108</b>
<b>Total</b>	<b>1,243,628,770</b>	<b>20,818,143,093</b>

**5. OTHER RECEIVABLES-Related Parties**

This account consists of:

	<b>2018</b>	<b>2017</b>
Oriental Aromatics Limited	115,412,840	-
Dharmil Bhodani	17,951,580	-
Shyamal Bhodani	17,951,580	-
<b>Total</b>	<b>151,316,000</b>	<b>-</b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**6. INVENTORIES**

This account represents the Company's inventories as of March 31, 2018 amounting to Rp175,755,150.

**7. PREPAID EXPENSE AND ADVANCES**

This account consists of:

	<b>2017</b>	<b>2016</b>
Prepaid rent	136,095,000	54,286,674
Advance payment	86,712,512	-
<b>Total</b>	<b>222,807,512</b>	<b>54,286,674</b>

**8. FIXED ASSET**

This account consists of:

<b>2018</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>Cost</u></b>				
Office equipment	-	111,117,250	-	111,117,250
Furniture	-	131,976,000	-	131,976,000
Equipments	-	43,500,000	-	43,500,000
Vehicle	-	526,675,000	-	526,675,000
Leasehold improvement	-	710,100,000	-	710,100,000
<b>Total</b>	-	1,523,368,250	-	<b>1,523,368,250</b>
<b><u>Accumulated Depreciation</u></b>				
Office equipment	-	13,636,677	-	13,636,677
Furniture	-	11,747,000	-	11,747,000
Equipments	-	3,171,875	-	3,171,875
Vehicle	-	38,403,386	-	38,403,386
Leasehold improvement	-	74,270,833	-	74,270,833
<b>Total</b>	-	141,229,771	-	<b>141,229,771</b>
<b>Net Book Value</b>	-			<b>1,382,138,479</b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**8. FIXED ASSET (continued)**

<b>2017</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>
<b><u>Cost</u></b>				
Office equipment	194,847,346	4,950,000	199,797,346	-
Furniture	43,157,582	-	43,157,582	-
Housing furniture	-	21,730,000	21,730,000	-
Factory equipments	708,141,410	227,308,000	935,449,410	-
Vehicle	232,358,727	-	232,358,727	-
Leasehold improvement	708,630,956	-	708,630,956	-
<b>Total</b>	<b>1,887,136,021</b>	<b>253,988,000</b>	<b>2,141,124,021</b>	<b>-</b>
<b><u>Accumulated Depreciation</u></b>				
Office equipment	32,111,773	31,405,807	63,517,580	-
Furniture	10,095,845	7,192,934	17,288,779	-
Housing furniture	-	2,640,313	2,640,313	-
Factory equipments	62,011,567	57,704,484	119,716,051	-
Vehicle	28,652,739	19,363,222	48,015,961	-
Leasehold improvement	33,561,329	47,242,064	80,803,393	-
<b>Total</b>	<b>166,433,253</b>	<b>165,548,824</b>	<b>331,982,077</b>	<b>-</b>
<b>Net Book Value</b>	<b><u>1,720,702,768</u></b>			<b>-</b>

Depreciations are charged to:

	<b>2018</b>	<b>2017</b>
Cost of sales (Note 18)	3,171,875	104,946,548
Operating expenses (Note 19)	138,057,896	60,602,276
<b>Total</b>	<b><u>141,229,771</u></b>	<b><u>165,548,824</u></b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**9. TRADE PAYABLES**

This account represents payables to:

	<b>2018</b>	<b>2017</b>
<b>Related party:</b>		
Oriental Aromatics, Ltd	1,717,685,007	8,527,811,005
<b>Third parties:</b>		
Jolie Parfum	795,383,754	-
Camphor & Allied Products, Ltd	224,722,057	-
PT Budimulia Penta Realti	121,095,000	-
PT Lotte Logistics Indonesia	22,500,000	-
Lluch Essence	15,488,850	15,285,848
Alchemie Laboratories	-	282,938,040
<b>Total third parties</b>	<b>1,179,189,661</b>	<b>298,223,888</b>
<b>Total</b>	<b>2,896,874,668</b>	<b>8,826,034,893</b>

The details of trade payables based on currencies are follows:

	<b>2018</b>	<b>2017</b>
USD (equivalent with USD 142,330 as of March 31,2018 and USD 662,565 as of March 31,2017)	1,957,895,914	8,826,034,893
Rupiah	938,978,754	-
<b>Total</b>	<b>2,896,874,668</b>	<b>8,826,034,893</b>

**10. OTHER PAYABLES**

This account consist of other payables to Oriental Aromatics Limited which represents unpaid interest expense from due to related party (Note 13) amounted to Rp815,760,926 (equivalents with USD59,302) as of March 31, 2018.

**11. ACCRUED EXPENSES**

This account represents:

	<b>2018</b>	<b>2017</b>
Office renovation	279,690,000	-
Professional fee	80,000,000	-
Other	3,696,705	-
<b>Total</b>	<b>363,386,705</b>	<b>-</b>

**PT ORIENTAL AROMATICS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2018 AND FOR THE YEAR THEN ENDED**  
**(Expressed in Rupiah, unless otherwise stated)**

**12. VEHICLE OWNERSHIP PAYABLE**

This account consists of:

	<b>2018</b>	<b>2017</b>
<b>Long term vehicle ownership payables</b>		
Vinika Motor	395,006,341	-
Less: current maturities portion	175,558,212	-
<b>Long term portion</b>	<b>219,448,129</b>	<b>-</b>

**13. DUE TO RELATED PARTY**

This account consist of due to related party to Oriental Aromatics Limited amounted to Rp15,221,014,000 and Rp21,380,205,000 (equivalents with USD1,106,500 and USD1,605,000) as of March 31, 2018 and 2017, respectively. The interest rate of this loan is 4% per annum.

The amount of interest expense charged to statement of profit or loss and other comprehensive income amounting Rp795,995,682 or equivalent with USD59,302 in 2018.

**14. SHORT TERM BANK LOAN**

This account consist of short term bank loans from Standard Chartered Bank amounted to Rp10,470,306,000 (equivalents with USD786,000) as of March 31, 2017. As of March 31, 2018, the short term bank loans from the Standard Chartered were fully paid.

**15. SHARE CAPITAL**

The composition of shareholders as of March 31, 2018 are as follows:

<b>Shareholders</b>	<b>Number of Shares Issued and Fully Paid</b>	<b>Percentage of Ownership</b>	<b>Amount</b>
Oriental Aromatics Limited	258,390	99.00%	2,481,319,170
Mr. Dharmil Anil Bhodani	1,305	0.50%	12,531,915
Mr. Shyamal Anil Bhodani	1,305	0.50%	12,531,915
<b>Total</b>	<b>261,000</b>	<b>100.00%</b>	<b>2,506,383,000</b>

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**15. SHARE CAPITAL (continued)**

The composition of shareholders as of March 2017 are as follows:

<u>Shareholders</u>	<u>Number of Shares Issued and Fully Paid</u>	<u>Percentage of Ownership</u>	<u>Amount</u>
Oriental Aromatics Limited	247,500	99.00%	2,376,742,500
Mr. Dharmil Anil Bhodani	2,500	1.00%	24,007,500
<b>Total</b>	<b>250,000</b>	<b>100.00%</b>	<b>2,400,750,000</b>

**16. TAXATION**

**a. Prepaid Taxes**

This account consist of VAT-in amounting Rp3,898,036,097 and Rp3,846,683,291 as of March 31, 2018 and 2017, respectively.

**b. Tax payable**

This account consist of:

	<u>2018</u>	<u>2017</u>
Final Tax PP No 46	-	259,999,016
Income tax:		
Art 21	10,794,651	58,764
Art 23	4,508,960	42,525
Art 4(2)	14,359,500	40,000
<b>Total</b>	<b>29,663,111</b>	<b>260,140,305</b>

**c. Income Tax Expenses**

The reconciliation between loss before deferred income tax benefits, as shown in the statements of profit or loss comprehensive income and estimated fiscal loss for the year ended March 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Loss before deferred income tax benefit as shown in statements of profit loss and other comprehensive income	(3,220,062,522)	(3,442,424,281)
Temporary differences:		
Employee benefits	78,285,082	-

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**16. TAXATION (continued)**

**c. Income Tax Expenses (continued)**

	<b>2018</b>	<b>2017</b>
Permanent differences:		
Interest Income	(18,597,892)	-
Loss subjected to final tax	-	1,360,815,666
<b>Current year fiscal loss</b>	<b>(3,160,375,332)</b>	<b>(2,081,608,615)</b>
Previous years fiscal loss	(2,081,608,615)	-
<b>Accumulated fiscal loss</b>	<b>(5,241,983,947)</b>	<b>(2,081,608,615)</b>

**d. Deferred tax assets**

The details of deferred tax in 2018 are as follows:

	2018			
	<b>Beginning Balance</b>	<b>Credited to Current year statement of profit or loss</b>	<b>Charged to Other Comprehensive income</b>	<b>Ending Balance</b>
Provision for employee benefit	-	19,571,271	(2,336,009)	17,235,262

**17. EMPLOYEES' BENEFITS LIABILITIES**

The Company has provided employee benefits to its eligible employees in accordance with the requirements of labor law No. 13 Year 2003. As of March 31, 2018, the balance of the employee benefits liability is presented in the financial statements of financial position as "Employee Benefits Liabilities". The provision for employee service entitlement benefits are estimated by management based on the actuarial calculations using the "Projected Unit Credit" Method. The employee benefits liability as of March 31, 2018 are calculated by PT Sakura Aktualita Indonesia, independent actuary, in its reports dated May 08, 2018 respectively.

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**17. EMPLOYEES' BENEFITS LIABILITIES (continued)**

Assumptions used in 2018 and 2017, are as follows:

	<b>2018</b>	<b>2017</b>
Discount rate	7,5%	-
Salary increase rate	8%	-
Mortality rate	100% CSO80 5% up to age 45 and then decreases linearly up to retirement age.	-
Normal retirement age	45 years	-

The amount recognized as an expense in the statement of profit or loss and other comprehensive income related to post - employment benefits are as follows:

	<b>2018</b>	<b>2017</b>
Interest cost	1,682,439	-
Current service cost	76,602,643	-
<b>Net employee benefits expense</b>	<b>78,285,082</b>	-

Movements of liabilities for post - employment is recognized in the statement of financial position during the year are as follows:

	<b>2018</b>	<b>2017</b>
Balance at the beginning of the fair value of the unfunded defined benefit obligation	-	-
Interest cost	1,682,439	-
Current service cost	76,602,643	-
Other comprehensive income	(9,344,037)	-
<b>Total</b>	<b>68,941,045</b>	-

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**17. EMPLOYEES' BENEFITS LIABILITIES (continued)**

The sensitivities analysis from the changes of the main assumptions of the liabilities for employee benefits for the year ended March 31, 2018 are as follows :

	<b>2018</b>	<b>2017</b>
Discount rate risk		
Increased 1%	73,270,390	-
Decreased 1%	(65,043,484)	-
Salary increases rate risk		
Increased 1%	72,942,235	-
Decreased 1%	(65,256,497)	-

**18. SALES**

This account represents revenue from:

	<b>2018</b>	<b>2017</b>
<b>Related party:</b>		
Oriental Aromatics, Ltd	-	36,218,901,906
<b>Third parties:</b>		
PT Monarch Multi Industries	1,303,905,125	-
CV Global Imperium	596,036,900	-
Yahya Hasan	343,099,722	-
CV Bali Krishna Aromatics	198,034,154	-
Mandiri Jaya	140,686,363	-
Toko Raja Wangi Makassar	126,977,275	-
UD You Clean Indonesia	79,644,468	-
Inspirasi Parfum	73,888,500	-
CV Agung Mandiri Lestari	43,263,462	258,983,206
CV Pranatya Abadi	41,504,659	-
PT Orson Indonesia	19,525,577	1,567,638,520
Susilo	-	1,111,385,610
Budiman	-	385,576,800
Uchi Perfume	-	113,332,205
Others	254,798,573	865,215,477
<b>Subtotal sales to third parties</b>	<b>3,221,364,778</b>	<b>4,302,131,818</b>
<b>Total</b>	<b>3,221,364,778</b>	<b>40,521,033,724</b>

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**19. COST OF SALES**

This account consist of:

	<b>2018</b>	<b>2017</b>
Beginning balance of inventories	-	25,586,828,970
Purchase of goods	2,425,818,793	11,728,306,181
Ending balance of inventories	(175,755,150)	-
<b>Raw material used</b>	<b>2,250,063,643</b>	<b>37,315,135,151</b>
<b>Overhead expenses</b>		
Freight cost	326,081,174	1,837,343,911
Depreciation (Note 8)	3,171,875	104,946,548
Labour	-	271,718,277
Other	44,151,790	44,006,095
<b>Total overhead expenses</b>	<b>373,404,839</b>	<b>2,258,014,831</b>
<b>Total</b>	<b>2,623,468,482</b>	<b>39,573,149,982</b>

**20. OPERATING EXPENSES**

This account consists of:

	<b>2017</b>	<b>2016</b>
Salary and allowances	894,719,604	439,704,175
Rent	327,919,974	692,653,326
Professional fee	381,918,923	735,118,113
Depreciation (Note 8)	138,057,896	60,602,276
Local travel	111,211,466	151,350,767
Employee benefits (Note 16)	78,285,082	-
Utilities	41,680,417	87,521,611
Marketing	17,433,021	405,089,727
Donation	-	721,763,680
Final tax	-	382,687,474
Others	512,399,355	472,996,757
<b>Total</b>	<b>2,503,625,738</b>	<b>4,149,487,906</b>

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**21. ADDITIONAL DISCLOSURES OF CASH FLOWS REPORT**

Investment and financing activities that do not affect cash and banks consist of:

	<b>2018</b>	<b>2017</b>
Acquisition of fixed assets through vehicle ownership payable	526,675,000	-
Paid in capital through Other receivables- related parties	105,633,000	-