



ACHMAD, RASYID, HISBULLAH & JERRY
REGISTERED PUBLIC ACCOUNTANTS
KANTOR PUSAT : NIU. KAP : 586/KM.I/2007
Member of : Nozaka Japan Certified Public Accountant Firm



Pusat : Jl. Kepu Barat No. 90-91 B Kemayoran Jakarta Pusat Telp. : 021-55958501, 55958301 Fax. : 021-4240080
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Cabang : Jakarta Mampang, Bandung & Semarang

INDEPENDENT AUDITOR'S REPORT

No : 146/ARHJ-RD/CRS-PI/GA/04.15

The Commissioners and Directors
PT Pidilite Indonesia
Jakarta

We have audited the accompanying financial statements of **PT Pidilite Indonesia**, which comprise the statement of financial position as of March 31, 2015, and the statements of comprehensive income, statements changes in equity, and cash flows for the year 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 Financial Accounting Standards in Indonesia, 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' 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 the financial statements.



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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, financial statements present fairly, in all material respects, the financial position of **PT Pidilite Indonesia** as of March 31, 2015, its financial performance and cash flows for the year then ended, in conformity with Financial Accounting Standards in Indonesia.

Other Matter

The financial statements of **PT Pidilite Indonesia** which ended 31 March 2014 audited by another auditor to report No. 039/04/14/TDM dated April 30, 2014 with unqualified opinion.



DR. Achmad R K., AK., MM., CPA., CA
NRAP AP. 0102

Jakarta, April 20, 2015

PT PIDILITE INDONESIA

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2015 AND 2014

**PT PIDILITE INDONESIA
FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
MARCH 31, 2015 AND 2014**

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PT PIDILITE INDONESIA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

	<u>Notes</u>	<u>2 0 1 5</u>	<u>2 0 1 4</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Cash Equivalents	2b, 3	3,393,332	145,706,494
Other Receivable	4	129,183,660	43,906,250
Prepaid Expense	5	27,064,445	21,562,968
Total Current Assets		159,641,437	211,175,712
NON CURRENT ASSETS			
Deferred Tax Asset	2i, 9	77,254,949	61,045,748
Fixed Assets - net of accumulated depreciation of Rp 47,257,966 as of March 31, 2015 and Rp 42,745,466 as of March 31, 2014	2f, 6	3,281,409,439	3,285,921,939
Total Non Current Assets		3,358,664,388	3,346,967,687
TOTAL ASSETS		3,518,305,825	3,558,143,399

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

PT PIDILITE INDONESIA
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

	Notes	2015	2014
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Accounts Payable	7a	151,477,430	171,822,110
Accrued Expenses	8	71,179,861	28,363,299
Provision For Employee Benefits	2g, 10	309,019,800	244,182,998
Due to Related Party	7b	-	36,844,900
Taxes Payable	9a	8,952,006	23,756,148
Total Current Liabilities		<u>540,629,097</u>	<u>504,969,455</u>
EQUITY			
Capital Stock - USD 10 per value per share			
Authorized - 342,000 shares			
Subscribed and paid-up - 104,645 shares as of			
March 31, 2015 and 101,545 shares			
as of March 31, 2014	11	10,527,287,000	9,250,950,949
Accumulated Losses		(7,549,610,272)	(6,197,777,005)
Total Equity		<u>2,977,676,728</u>	<u>3,053,173,944</u>
TOTAL LIABILITIES AND EQUITY		<u>3,518,305,825</u>	<u>3,558,143,399</u>

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

PT PIDILITE INDONESIA
STATEMENTS OF COMPREHENSIVE INCOME
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

	Notes	2 0 1 5	2 0 1 4
REVENUE	2h	-	-
COST OF SALES	2h	-	-
GROSS PROFIT		-	-
OPERATING EXPENSES	2h, 12	(1,431,051,190)	(1,019,922,601)
LOSS FROM OPERATIONS		(1,431,051,190)	(1,019,922,601)
OTHER INCOME (EXPENSES)	2h, 13	63,008,722	662,962,372
LOSS BEFORE TAX		(1,368,042,468)	(356,960,229)
TAX INCOME (EXPENSE)			
Deferred Tax	2i, 9c	16,209,201	14,838,155
Total Tax Expense		16,209,201	14,838,155
NET LOSS AFTER TAX		(1,351,833,267)	(342,122,074)

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

PT PIDILITE INDONESIA
STATEMENTS OF CHANGES IN EQUITY
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

	Paid-up capital stock	Share application money	Retained earnings	Total equity
Balance as of March 31, 2013	8,696,784,900	527,453,338	(5,855,654,931)	3,368,583,307
Paid up capital	554,166,049	-	-	554,166,049
Share application money	-	(527,453,338)		(527,453,338)
Net loss for the year	-	-	(342,122,074)	(342,122,074)
Balance as of March 31, 2014	9,250,950,949	-	(6,197,777,005)	3,053,173,944
Paid up capital	1,276,336,051	-	-	1,276,336,051
Net loss for the year	-	-	(1,351,833,267)	(1,351,833,267)
Balance as of March 31, 2015	10,527,287,000	-	(7,549,610,272)	2,977,676,728

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

PT PIDILITE INDONESIA
STATEMENTS OF CASH FLOWS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

	<u>2 0 1 5</u>	<u>2 0 1 4</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(1,351,833,267)	(342,122,074)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation	4,512,500	10,867,925
Deferred Tax Assets	(16,209,201)	(14,838,155)
Operating cash flows before changes in working capital	<u>(1,363,529,968)</u>	<u>(346,092,304)</u>
Changes in Working capital :		
Other Receivables	(85,277,410)	201,174,263
Prepaid Expenses	(5,501,477)	(3,655,561)
Account Payables	(20,344,680)	-
Accrued Expense	42,816,562	(7,618,685)
Due To Related Party	(36,844,900)	-
Tax Payables	(14,804,142)	17,707,855
Provisions for employee benefits	64,836,802	59,352,620
Net cash flows provided from operating activities	<u>(1,418,649,213)</u>	<u>(79,131,812)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Paid up capital	1,276,336,051	554,166,049
Share Application money	-	(527,453,338)
Net cash flows provided from financing activities	<u>1,276,336,051</u>	<u>26,712,711</u>
NET INCREASE/(DECREASE) CASH AND CASH EQUIVALENTS	(142,313,162)	(52,419,101)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>145,706,494</u>	<u>198,125,595</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u><u>3,393,332</u></u>	<u><u>145,706,494</u></u>

Net Cash Provided by Financing Activity
which are an integral part of the financial statements.

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

1. GENERAL

PT Pidilite Indonesia ("the Company") is a company domiciled in Indonesia located at Jl. Penjaringan 1 Jakarta. The Company was established by deed of public notary Bonardo Nasution, Sarjana Hukum, No. 08 dated December 19, 2005. This deed was approved by the Ministry of Law and Human Rights Republic Indonesia under No. C-05827.HT.01.01-Th.2006. The Company Articles of Association has been amended based on the notarial deed of Grace Supena Sundah, Sarjana Hukum, No. 01 dated August 1, 2008, in relation to an increase in the authorized share capital of the Company and to comply with the new Corporate Law. These changes was approved by the Ministry of Law and Human Rights Republic of Indonesia in a decision letter No. AHU-88033.AH.01.02.Tahun 2008 dated November 20, 2008. The company's articles has been amended based on notarial deed No. 8 dated November 29, 2013 by notary Amalia Hanifah, S.H., M.Kn regarding change of shareholders composition. The last amended based on notarial deed No. 2 dated December 23, 2014 and has been approved by the Ministry of Law and Human Rights Republic of Indonesia in decision letter No. AHU-0001457.AH.01.03.Year 2015 dated January 9, 2015.

The Company is mainly engaged in selling adhesives, sealants, resins, and special chemical product. The Company commenced its commercial operation in January 2006.

The Company's commissioner and director as of March 31, 2015 and 2014 are as follows :

Commissioner	: Mr. Arangannal S/O Kathamuthu
Director	: Mr. Priykant Chhotoalal Patel

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis Of Preparation Of Financial Statements

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

The financial statements, except for the statement of cash flows, have been prepared on the accrual basis using the historical cost concept of accounting, except as disclosed in the relevant notes to the financial statements.

The statements of cash flows, which have been prepared using the direct method, present receipts and disbursement of cash and cash equivalents classified into operating, investing and financing activities.

The presentation currency used in the financial statements is the Indonesian Rupiah, which is the functional currency of the company.

b. Cash and Cash Equivalents

Cash and Banks consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the dates of placement.

c. Trade Receivables

Trade receivables are recognized and carried at original invoice amount less allowance for doubtful accounts. An allowance for doubtful accounts is made when collection of the full amount is no longer probable. Bad debt are written off as insured.

(Continued)

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Related Parties Transactions

The company has transactions with certain parties, which are related to them. In accordance with the PSAK No.7 "Related Party Disclosures", related parties are defined as follows :

1. Enterprises that, through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (including holding companies, subsidiaries and fellow subsidiaries),
2. Associated companies;
3. Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close members of the family of any such individuals (close members of the family are those who can influence or can be influenced by such individuals in their transactions with the Company);
4. Key management personnel who have the authority and responsibility for planning, directing and controlling the Company's activities, including commissioners, directors and managers of the Company and close members of their families; and
5. Companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4) or over which such a person is able to exercise significant influence. This includes companies owned by commissioners, directors or major stockholders of the Company and companies which have a key member of management in common with the Company.

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. Foreign Currency Transaction and Balances

The book of accounts of the Company is maintained in Indonesian Rupiah (IDR). Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheets date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to current operations.

f. Fixed Assets

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Year</u>
Vehicles	: 8 years
Office Equipment	: 4 years

The cost of maintenance and repairs is charged to operations as incurred. When assets are retired or otherwise disposed of, their carrying values and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the current operations.

The company conducts a review to determine whether there is any indication of assets impairment at the end of the year, in accordance with PSAK No. 48. "Impairment of Assets Value" if any such indication exists. When assets are retired or otherwise disposed of their carrying values and the related accumulated depreciation are removed from the accounts and any resulting gain or loss on the disposals is recognized in the income statements.

(Continued)

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Employee Benefit

The Company recognized the estimated liabilities for employees' benefits in accordance with the Labour Law No. 13/2003 dated March 25, 2003. Based on this law, the Company is required to pay severance, gratuity and compensation benefit if certain conditions in the law are met. Past service cost is amortized over the average expected remaining working life of the employee.

h. Revenue and Expense Recognition

Revenue is recognized when the services are completely rendered to customers. Expenses are recognized when incurred.

i. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the statements of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited directly to equity.

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

j. Financial Instruments

i. Financial assets

Initial recognition

Financial assets within the scope of the PSAK No. 55 (Revised 2011) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

The company's financial assets are classified as loans and receivables which include cash and cash equivalents and other receivables.

When financial assets are recognized initially, they are measured at fair value, but in the case of financial assets not at fair value through profit or loss, the related fair values is added with the transactions cost that are directly attributable to the acquisition of financial assets.

(Continued)

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Financial Instruments (Continued)

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, PSAK No. 55 (Revised 2011) requires such assets to be carried at amortized cost using the EIR method, and the related gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Derecognition

A financial asset, or where applicable a part of a financial asset or part of a group of similar financial assets, is derecognized when :

- i. the contractual rights to receive cash flows from the financial asset have expired; or
- ii. the company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying value and the sum of (i) the consideration received, including any new asset obtained less any new liability assumed; and (ii) any cumulative gain or loss that has been recognized directly in equity is recognized in profit or loss.

Impairment

The company assesses at each reporting date whether there is any objective evidence that a financial assets or a group of financial assets is impaired.

For loans and receivables carried at amortized cost, the company 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 company 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 collectively assessed for impairment.

If there is objective evidence that an impairment loss has occurred, 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 expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current EIR.

(Continued)

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Financial Instruments (Continued)

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original EIR of the financial asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the company.

ii. Financial liabilities

Initial recognition

Financial liabilities within the scope of the PSAK No. 55 (Revised 2011) are classified as (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities measured at amortized costs, or as (iii) derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of their financial liabilities at initial recognition.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques permitted by PSAK No. 55 (Revised 2011) such as using recent arms' length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

When the fair value of the financial instruments not traded in an active market cannot be reliably determined, such financial assets are recognized and measured at their carrying values.

v. Amortized cost of financial instruments

Amortized cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transactions costs and fees that are an integral part of the EIR.

k. Use of Estimates

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from these estimates.

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

3. CASH AND CASH EQUIVALENTS

The details are as follows :

	2015	2014
Bank :		
ABN AMRO Banks	3,393,332	145,706,494
Total	3,393,332	145,706,494

4. OTHER RECEIVABLES

The details are as follows :

	2015	2014
Application Service Income	129,183,660	-
Loans to Employee	-	43,906,250
Others	-	-
Total	129,183,660	43,906,250

5. PREPAID EXPENSES

This account represents prepaid expenses of PT Pidilite Indonesia amounting to Rp 27,064,445 and Rp 21,562,968 as of March 31, 2015 and 2014.

6. FIXED ASSETS

The details are as follows :

	2015			
	Beginning Balance	Additions	Reclassifications	Ending Balance
At Cost :				
Land	3,280,601,692	-	-	3,280,601,692
Office Equipment	48,065,713	-	-	48,065,713
Total	3,328,667,405	-	-	3,328,667,405
Accumulated Depreciation :				
Office Equipment	42,745,466	4,512,500	-	47,257,966
Total	42,745,466	4,512,500	-	47,257,966
Net Book Value	3,285,921,939			3,281,409,439
	2014			
	Beginning Balance	Additions/ Reclassifications	Deductions/ Reclassifications	Ending Balance
At Cost				
Land	3,280,601,692	-	-	3,280,601,692
Office Equipment	48,065,713	-	-	48,065,713
Total	3,328,667,405	-	-	3,328,667,405

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

6. FIXED ASSETS (Continued)

	2 0 1 4			Ending Balance
	Beginning Balance	Additions/ Reclassifications	Deductions/ Reclassifications	
Accumulated Depreciation				
Office Equipment	31,877,541	10,867,925	-	42,745,466
Total	31,877,541	10,867,925	-	42,745,466
Net Book Value	3,296,789,864			3,285,921,939

7. ACCOUNT PAYABLES AND DUE TO RELATED PARTIES

a. Account Payable - related party

	2 0 1 5	2 0 1 4
Sargent Art Inc	151,477,430	151,477,430
Pidilite Industries Ltd (India)	-	20,344,680
Total	151,477,430	171,822,110

b. Due to related party

	2 0 1 5	2 0 1 4
Pidilite International Pte Ltd	-	36,472,000
Pidilite Middle East Ltd	-	372,900
Total	-	36,844,900

8. ACCRUED EXPENSES

The details are as follows :

	2 0 1 5	2 0 1 4
Salaries	39,296,488	6,101,887
Professional Fee	2,878,480	22,261,412
Others	29,004,893	-
Total	71,179,861	28,363,299

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

9. TAXATION

The details are as follows :

a. Taxes Payables

	2015	2014
Tax Art 21	8,269,792	5,540,208
Tax Art 23	682,214	149,581
Deem Tax	-	18,066,359
Total	8,952,006	23,756,148

The statements showing reconciliation between tax expenses (income) and the theoretical tax amount on the company's profits before income tax for the year ended March 31, 2015 and 2014.

b. Current Tax

The details of current tax expenses and tax payable (prepaid tax), are as follow :

	2015	2014
Income Before Tax	(1,368,042,468)	(356,960,229)
Temporary Difference :		
Employee Benefit	64,836,802	59,352,620
Permanent Difference :		
Medical	15,068,458	19,829,325
Tax Expenses	2,832,477	19,862,620
Donation	1,750,000	-
Insurance	19,085,100	-
Others	1,794,206	-
Total	105,367,043	99,044,565
Taxable Income	(1,262,675,425)	(257,915,664)
Prior years fiscal losses	(4,800,038,515)	(4,542,122,851)
Estimated taxable loss per tax wise	(6,062,713,940)	(4,800,038,515)

c. Deferred Tax Income

	31 March 2014	Credited (charged) to income statement	31 March 2015
<u>Deferred Tax Assets (Liabilities)</u>			
Employee Benefit Expenses	61,045,748	16,209,201	77,254,949
Total Deferred Tax Assets (Liabilities)	61,045,748	16,209,201	77,254,949

PT PIDILITE INDONESIA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2015 AND 2014
(Expressed in Indonesian Rupiah)

9. TAXATION (Continued)

c. Deferred Tax Income (Continued)

	31 March 2013	Credited (charged) to income statement	31 March 2014
<u>Deferred Tax Assets (Liabilities)</u>			
Employee Benefit Expenses	46,207,593	14,838,155	61,045,748
Total Deferred Tax Assets (Liabilities)	46,207,593	14,838,155	61,045,748

10. ESTIMATED LIABILITY FOR EMPLOYEES' BENEFIT

The details of employees' benefit cost were are follows :

	2015	2014
Current Service Cost	44,251,117	40,353,421
Interest Expenses	20,585,685	18,999,199
Total Expenses Recognized	64,836,802	59,352,620
Beginning Balance	244,182,998	184,830,378
Retirement Cost for the year	64,836,802	59,352,620
Ending Balance	309,019,800	244,182,998

11. CAPITAL STOCK

The details of the Company's capital stock as of March 31, 2015 are as follows:

Name of Shareholder	Shares Issued and Fully Paid		
	Number of Shares	Percentage of Ownership %	Amount IDR
Pidilite International Pte Lte	103,599	99%	10,422,059,400
Pidilite Middle East Ltd	1,046	1%	105,227,600
Total	104,645	100%	10,527,287,000

The details of the Company's capital stock as of March 31, 2014 are as follows:

Name of Shareholder	Shares Issued and Fully Paid		
	Number of Shares	Percentage of Ownership %	Amount IDR
Pidilite International Pte Lte	100,530	99%	9,158,441,440
Pidilite Middle East Ltd	1,015	1%	92,509,509
Total	101,545	100%	9,250,950,949

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11. CAPITAL STOCK (Continued)

In 2006 the company has issued 85,500 shares (Rp 7,795,890,000) and paid Rp 3,897,945,000, which is 50% of shares issued, as per Law Number 1 of 1995 regarding Limited Liabilities Companies (March 7, 1996), article 26(3) as well as Pidilite Deed of Establishment Article 4 (3), shares issued has fully paid after receipt of deed of establishment approval the Minister of Law and Human Right which was issued on March 1, 2006 by its letter no. C-05827-HT.01.01.TH.2006. In 2009, 95,500 shares issued has been fully paid by the company based on amended the notarial deed of Grace Superia Sundan, S.H., No. 1 dated August 1, 2008. Until the period ended March 31, 2013, the company has received the share application money amounting to Rp 527,453,338 (from Pidilite International Pte. Ltd Rp 522,178,808 and Pidilite Middle East Ltd Rp 5,274,533) for which company is yet to issue shares as on March 31, 2013. In 2014 the company has issued and paid capital amounted Rp 554,166,049 based on amended most recently the notarial deed of Amalia Hanifah, S.H., M.Kn No. 8 dated November 29, 2013. The company has issued and paid capital amounted Rp 1,276,336,051 based on amended the notarial deed of Amalia Hanifah, S.H., M.Kn., No. 2 dated December 23, 2014 and has been approved by Ministry of Law and Human Right of Republic of Indonesia No. AHU-0001457.AH.01.03.Year 2015 dated January 9, 2015.

12. OPERATING EXPENSES

The details are as follows :

	2015	2014
Selling Expenses		
Salary and Wages	603,025,360	422,482,765
Travel	61,077,195	44,366,514
Transportation	17,354,650	24,268,200
Sample	2,161,400	215,000
	<u>683,618,605</u>	<u>491,332,479</u>
General and Administration Expenses		
Professional Fee	252,500,531	231,758,837
Official Travel	102,467,658	-
Office Expense	119,828,270	58,955,000
Post Employment benefit Expenses	64,836,802	59,352,620
Fuel, Gas, and Oil	39,532,076	45,582,303
Rental	35,495,186	28,688,887
Phone and Fax	25,986,037	24,567,784
Medical	15,068,458	19,829,325
Insurance	19,085,100	19,085,100
Tax Expenses	2,832,477	19,862,620
Land Tax	25,749,794	-
Depreciation	4,512,500	10,867,925
Office Supplies	6,966,700	4,625,000
Postage, Mail, and Courier	285,000	2,931,956
Donation	1,750,000	-
Stationary	3,167,290	1,951,600
Promotion	25,574,500	-
Storage	-	531,165
Others	1,794,206	-
	<u>747,432,585</u>	<u>528,590,122</u>
Total	<u>1,431,051,190</u>	<u>1,019,922,601</u>

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13. OTHERS INCOME AND EXPENSES

The details are as follows :

	2 0 1 5	2 0 1 4
Other Income :		
Application service income	937,559,361	636,099,446
Other	57,189,601	-
	994,748,962	636,099,446
Other Expenses :		
Bank Charges	(3,372,924)	(1,135,305)
Realize Loss	(928,367,316)	27,623,191
Unrealized Loss	-	375,040
	(931,740,240)	26,862,926
Total Other Income and Expenses	63,008,722	662,962,372

14. MANAGEMENT PLAN

The company does not have sales transactions and has reported losses in the past and the current year.

The company is currently working on strategy for future business growth. This is expected to result in higher investment in capital and human resources in coming year. These investments are expected to improve financial position of the company.

The shareholders have undertaken to provide continued financial support to the company keeping the future business strategy in mind, therefore there is no doubt on the going concern of the company.

15. COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for financial statements that were completed on April 20, 2015.