

**FINANCIAL STATEMENTS
SAPEX OILFIELD SERVICES LIMITED
FOR THE PERIOD 2014 & 2015**

SAPEX OILFIELD SERVICES LIMITED
STATEMENTS OF INCOME
AS AT DECEMBER 31ST 2015 & DECEMBER 31ST 2014
(Expressed in Indonesian Rupiah)

	2015	2014
Net Sales	8,723,401,401	5,078,901,825
Cost of Sales	-	-
GROSS PROFIT	8,723,401,401	5,078,901,825
Operating Expenses	701,899,334	417,351,685
Staff Expenses	25,897,384	15,398,671
Office Expenses	14,430,152	8,580,217
Rent and Utilities	381,094,143	226,599,849
Lease and Maintenance	-	-
IT Expenses	735,589,185	437,383,783
Travel and Entertainment	3,535,844,715	2,102,425,060
Legal and Professional	43,245,988	25,714,209
Sales Expenses	1,978,861,227	1,176,637,485
Miscellaneous Expenses	783,135,188	465,654,794
Depreciation and Amortization	-	-
Finance Costs	-	-
Total Operating Expenses	8,199,997,317	4,875,745,752
PROFIT (LOSS) BEFORE INCOME TAX	523,404,084	203,156,073
Corporate Income Tax		
Current Income Tax	75,513,838.84	44,900,780.42
Deferred	-	-
NET PROFIT (LOSS) AFTER TAX	447,890,245	158,255,293

SAPEX OILFIELD SERVICES LIMITED
BALANCE SHEET
AS AT DECEMBER 31ST 2015 & DECEMBER 31ST 2014
(Expressed in Indonesian Rupiah)

CURRENT ASSETS	2015	2014
Cash and Cash Equivalent	51,530,685	17,259,886
Account Receivables	167,399,568	56,069,456
Other Receivables	7,150,960,274	7,351,885,280
Tax Receivables	34,397,724	11,521,306
Advances	-	-
Prepaid Expense	-	-
Prepaid Others	-	-
Prepaid Tax	53,536,155	17,931,606
Security Deposit	-	-
TOTAL CURRENT ASSETS	7,457,824,407	7,454,667,535
NON CURRENT ASSETS		
Fixed Assets	-	-
Other Assets	-	-
TOTAL NON CURRENT ASSETS	-	-
TOTAL ASSETS	7,457,824,407	7,454,667,535
CURRENT LIABILITIES		
Account Payables	-	-
TOTAL CURRENT LIABILITIES	-	-
NON CURRENT LIABILITIES		
Other Payables	6,294,487,609	2,108,299,934
Tax Payables	57,191,260	19,155,861
TOTAL NON CURRENT LIABILITIES	6,351,678,869	2,127,455,795
TOTAL LIABILITIES	6,351,678,869	2,127,455,795
SHAREHOLDERS EQUITY		
Paid in Capital	500,000,000	500,000,000
Net Profit / (Loss) Curent Period	158,255,293	4,668,956,447
Retained Earning	447,890,245	158,255,293
Net Profit / (Loss) Previous Year	-	-
TOTAL SHAREHOLDERS EQUITY	1,106,145,538	5,327,211,740

SAPEX OILFIELD SERVICES LIMITED
WORKING CASHFLOW
AS AT DECEMBER 31ST 2015 & DECEMBER 31ST 2014
(Expressed in Indonesian Rupiah)

	2015	2014
Cash flow from operating activities:		
Net income	447,890,245	158,255,293
Tax Receivable	(34,397,724)	(11,521,306)
Account receivables	301,813,275	657,951,960
Other receivables	2,583,114,655	5,631,181,568
Prepaid tax	-	-
Other assets	-	-
Accrued expenses	(3,143,776,707)	(6,193,821,495)
Taxes payable	(103,113,058)	(224,786,133)
Other payables	-	-
Cash flows provided by operating activities	51,530,685	17,259,886
Cash flows from (for) investing activities		
Purchase of properties and equipments	-	-
Proceed fixed asset disposal	-	-
Purchase of intangible assets	-	-
Cash flows used for investing activities	-	-
Cash flows form (for) financing activities		
Dividend payment	-	-
Cash flows used for financing activities	-	-
Cash and cash equivalents for the ending periods	51,530,685	17,259,886

SAPEX OILFIELD SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the Years Ending December 31, 2015 & DECEMBER 31, 2014
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment of the Entity

SAPEX OILFIELD SERVICES LTD in the Articles of Association of the Entity, hereinafter called ("the Entity") was established on the 11th of December 2000 with I.B.C. No. 420675.

b. Registered Agent

Offshore Incorporated Limited of P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

c. Registered Office

P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.

d. Authorised Capital

The Authorised Capital of the Company is US\$50,000

e. Classes, Number and Par Value of Shares

The authorised capital is made up of one class and one series of shares divided in to 50,000 shares of US\$1.00 par value

2.0 ADOPTION OF GLOBALLY ACCEPTED ACCOUNTING PRINCIPLES

The financial statements are prepared in conformity with Globally Accepted Accounting Principles ("GAAP").

The accounting policies adopted in the compiling of the financial statements are consistent with accounting policies applied as at December 31, 2016.

a. Basis of preparation of the financial statements

The financial statements have been prepared in accordance with Globally Accepted Accounting Principles ("GAAP").

The reporting currency used in the financial statements is Rupiah (IDR)

b. Foreign currency transactions and balances

The financial statements are presented in Indonesian Rupiah, which is the functional currency. Transactions in foreign currency are recorded at the exchange rate prevailing at the transaction date.

c. Revenue and expense recognition

Revenue from the sale of goods is recognised when all of the significant risks and rewards of ownership of the goods have been passed to the buyers.

3.0 NOTES ON STATEMENTS OF INCOME

a. Net sales

All recorded revenues relate to the Entity's "Technical Services Agreement" ("TSA") with PT SAS International (the "Agent"). The TSA entitles the Entity to 3.0% of all Durabase revenues in Indonesia during the statement period.

b. Cost of sales

As all Net Sales were comprised of TSA commission, there were no Cost of Sales during the statement period.

c. Operating expenses

The Entity operated within the Agent's operating infrastructure leading to zero operating expenses during the statement period.

d. Staff expenses

All net sales generated via the TSA were paid directly to Ronald & Kyle Larson during the statement period as the Owner / Director's of the Entity.

4.0 COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these financial statements which have been authorised for issue by the Board of Directors on the 14th of July 2017.