ENERGY • SYNERGY

INDIKA ENERGY

ANNUAL REPORT 2016

FORGING AHEAD





FORGING AHEAD

The global energy sector recorded extreme volatility during 2016 in the coal as well as oil and gas sector, with prices dropping to record lows before spiking towards the end of the year.

Indika Energy forged ahead amidst these challenging circumstances, successfully reducing costs further and stabilizing operations during the year. Although bottom line results were impacted by the unconducive climate, overall the business showed fundamental improvements, on track for positive growth.

Going forward, Indika Energy remains committed to its vision to be a world-class Indonesian energy company, one committed to help meet Indonesia's need for energy through a strategy of integrated competencies in energy resources, energy services and energy infrastructure.

1 THEME

5 CORPORATE OVERVIEW

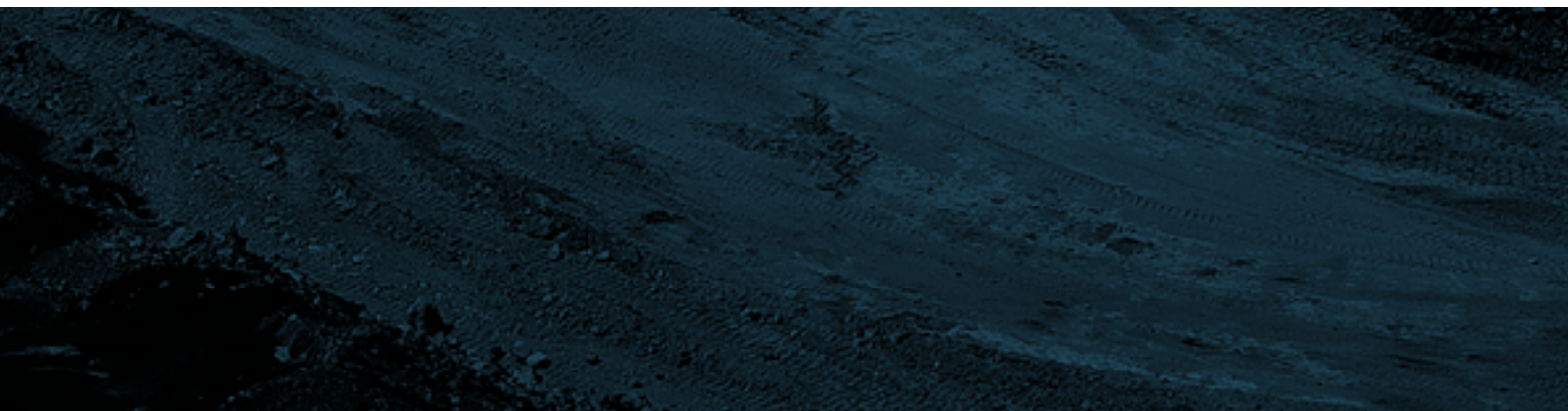
6 Indika Energy at a Glance
8 Capabilities Across the Entire Coal Value Chain
10 Operations Map
12 Milestones
14 Corporate Structure
16 Organisation Structure
18 Vision, Mission and Values
20 Business Strategy
22 Composition of Shareholders

25 FINANCIAL HIGHLIGHTS

26 Indika Energy Financial Highlights
29 Stock Highlights
30 Financial Highlights - Associate Company - Kideco

35 PRESIDENT COMMISSIONER'S AND PRESIDENT DIRECTOR'S MESSAGES

36 President Commissioner's Message
40 President Director's Message



45 BOARD PROFILES

125 FINANCIAL STATEMENTS

59 MANAGEMENT REPORT

299 COMPANY ADDRESSES

60 Economy and Industry Overview

62 Operational Review

76 Financial Review

80 Business Prospects & Key Risk Factors

86 Information and Communications Technology

88 Corporate Governance

112 Implementation of Corporate Governance Guidelines

116 Human Capital

118 Corporate Social Responsibility

120 Subsequent Events





CORPORATE OVERVIEW



Indika Energy at a Glance

PT Indika Energy Tbk. ("Indika Energy" or "the Company") was listed in Indonesian Stock Exchange (IDX) in 2008.

Established in 2000, Indika Energy has grown to be one of Indonesia's leading integrated energy companies with a portfolio of businesses spanning the energy resources, energy services and energy infrastructure sectors.

Over the years, the Company has grown from strength to strength both organically and through acquisition of synergistic businesses.

With its portfolio of businesses, the Company is able to provide complementary products and services to domestic and international customers, thereby positioning the Company to capture growth opportunities across the Indonesian energy sector.

Today, Indika Energy has developed to have operational activities in various areas of the Indonesia archipelago.

The three business pillars of Indika Energy's key operations are:

ENERGY RESOURCES

46.0%

PT Kideco Jaya Agung
Indonesia's third largest coal mining company, located in East Kalimantan

85.0%

PT Multi Tambangjaya Utama
PT Multi Tambangjaya Utama,a thermal bituminous and coking coal asset in Central Kalimantan

100%

PT Indika Inti Corporindo
a coal trader

100%

Indika Capital Investment Pte.Ltd.
a coal trader

34.9%

PT Santan Batubara
PT Santan Batubara, a coal mining company in East Kalimantan

60.0%

PT Mitra Energi Agung
Mitra Energi Agung, a greenfield coal mining project in East Kalimantan

ENERGY SERVICES

PT Petrosea Tbk.
an engineering & construction (E&C) and coal contract mining company

69.8%

PT Tripatra Engineering & PT Tripatra Engineers & Constructors
, engineering, procurement and construction (EPC) oil & gas services companies

100%

ENERGY INFRASTRUCTURE

51.0%

PT Mitrabahtera Segara Sejati Tbk.
an integrated transport & logistics services company for the mining industry

100%

PT Kuala Pelabuhan Indonesia
an integrated port management services in Papua

46.0%

PT Sea Bridge Shipping
domestic goods shipment

20.0%

PT Cirebon Electric Power
a 660 MW coal-fired steam power generation plant in Cirebon, West Java

99.8%

Petrosea Offshore Supply Base (POSB)
an integrated offshore supply base in East Kalimantan

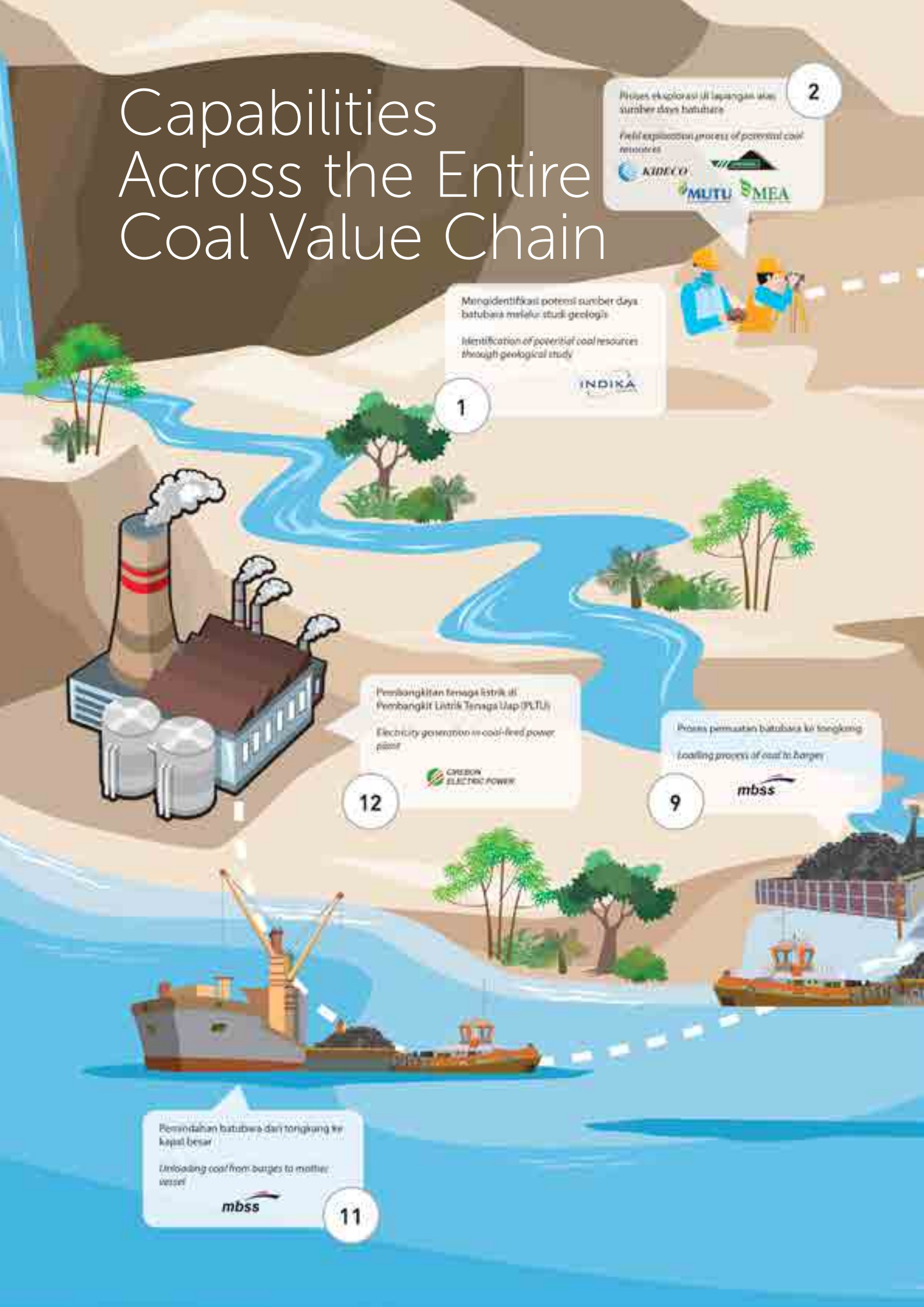
6.3%

PT Cirebon Energi Prasarana
a 1000 MW coal-fired power generation plant in Cirebon, West Java

45.0%

PT Cotrans Asia
a coal transportation company

Capabilities Across the Entire Coal Value Chain




Studi Kelayakan dan Ekonomis terhadap cadangan batubara
Economic and feasibility study of the coal reserves
PETROSEA
3
Rekayasa teknik dan konstruksi pembangunan infrastruktur produksi batubara.
Engineering and construction of coal production infrastructure
PETROSEA
4
Proses penggalian tanah dan pengambilan batubara.
Overburden removal and coal extraction
PETROSEA
5
Pengangkutan batubara yang telah diproses terminal batubara
Transportation of processed coal to coal terminal
Pemegang konsesi/concession holder
7
Pemrosesan batubara melalui tahap penghancuran dan pencucian
Crushing and washing of extracted coal
Pemegang konsesi/concession holder
6
Terminal stockpile batubara sebelum pengiriman
Coal loading terminal with stockpile prior to barging
KIDECO
MUTU
8
Pengiriman batubara menggunakan tongkang kepada pelanggan atau titik transhipment
Barging the coal to end user or transhipment point
mbss
10

Operations Map





ENERGY RESOURCES ▲

1 Multi Tambangjaya Utama
2 Kideco Jaya Agung
3 Santan Batubara
4 Mitra Energi Agung

ENERGY SERVICES ■

1 Exxon Mobil Cepu Project
2 JOB Pertamina Medco - Senoro
3 Pertamina HE ONWJ
4 Conoco Phillips - ESC
5 BP Tangguh
6 ENI Muara Bakau
7 Binuang Mitra Bersama
8 Anzawara Satria
9 Indonesia Cemerlang
10 Indonesia Pratama
11 Kideco Jaya Agung
12 Santan Batubara*

* under suspension

ENERGY INFRASTRUCTURE ●

1 Cirebon Electric Power
2 Petrosea Offshore Supply Base
3 Kuala Pelabuhan Indonesia

FLOATING CRANE ⬢

1 FC Nicholas
2 FC Ben Glory
3 FC Abby
4 FC Chloe
5 FC Blitz
6 FC Vittoria

Milestones

2000

The establishment of Indika Energy

2004

Indika Energy acquired a 41% stake in Kideco.

Kideco was established in 1982, engages in open-cut coal mining in East Kalimantan. Kideco holds CCoW first generation Mining Rights until 2023.

2006

Indika Energy increased its stake in Kideco by 5% to 46%.

2007

- Indika Energy completed mergers with Tripatra Company and Ganesha Intra Development Company.
- Tripatra Company was established in 1973, engages in engineering, procurement and construction (EPC), operation & maintenance (O&M) in the energy sector.
- The establishment of Cirebon Electric Power, a 660MW coal-fired steam power generation plant. Indika Energy owns 20% stake in CEP.
- Tripatra acquired a 45% stake in Cotrans Asia, a coal logistics company established in 2004.

2008

- Indika Energy held its Initial Public Offering (IPO) on the Indonesia Stock Exchange, offering 937,284,000 shares or 20% ownership.
- The establishment of Sea Bridge Shipping, a transhipment service company, in which Tripatra owns a 46% stake.
- Kuala Pelabuhan Indonesia (KPI), became a wholly owned subsidiary of Tripatra through the acquisition of an additional 50.1% stake.

2009

Indika Energy acquired a 98.55% stake in Petrosea.

Petrosea was established in 1972, and engages in engineering & construction (E&C) and coal mining contractor.

2010

- The establishment of Indika Logistic & Support Services (ILSS).
- Indika Energy entered into an Option Agreement to acquire 51% stake in MBSS. MBSS was established in 1994, engages in sea transportation and logistics services.

2011

Indika Energy acquired a 51% stake in MBSS.

2012

- Indika Energy divested 28.75% of its shares in Petrosea.
- Indika Energy acquired a 60% stake in Mitra Energi Agung (MEA). MEA was established in 2008 as a greenfield coal asset which owns an IUP concession area of 5,000 Ha in East Kalimantan.
- Indika Energy acquired a 85% stake in Multi Tambangjaya Utama. MUTU was established in 1989 as a bituminous thermal and coking coal mine holding a third generation CCoW in Central Kalimantan, with a concession area of 24,970 Ha.
- Cirebon Electric Power, a 660MW coal-fired steam power generation plant, reached its Commercial Operation Date (COD) and was fully operational.

2013

Indika Logistic & Support Services acquired a 95% of Tripatra's shares in KPI.

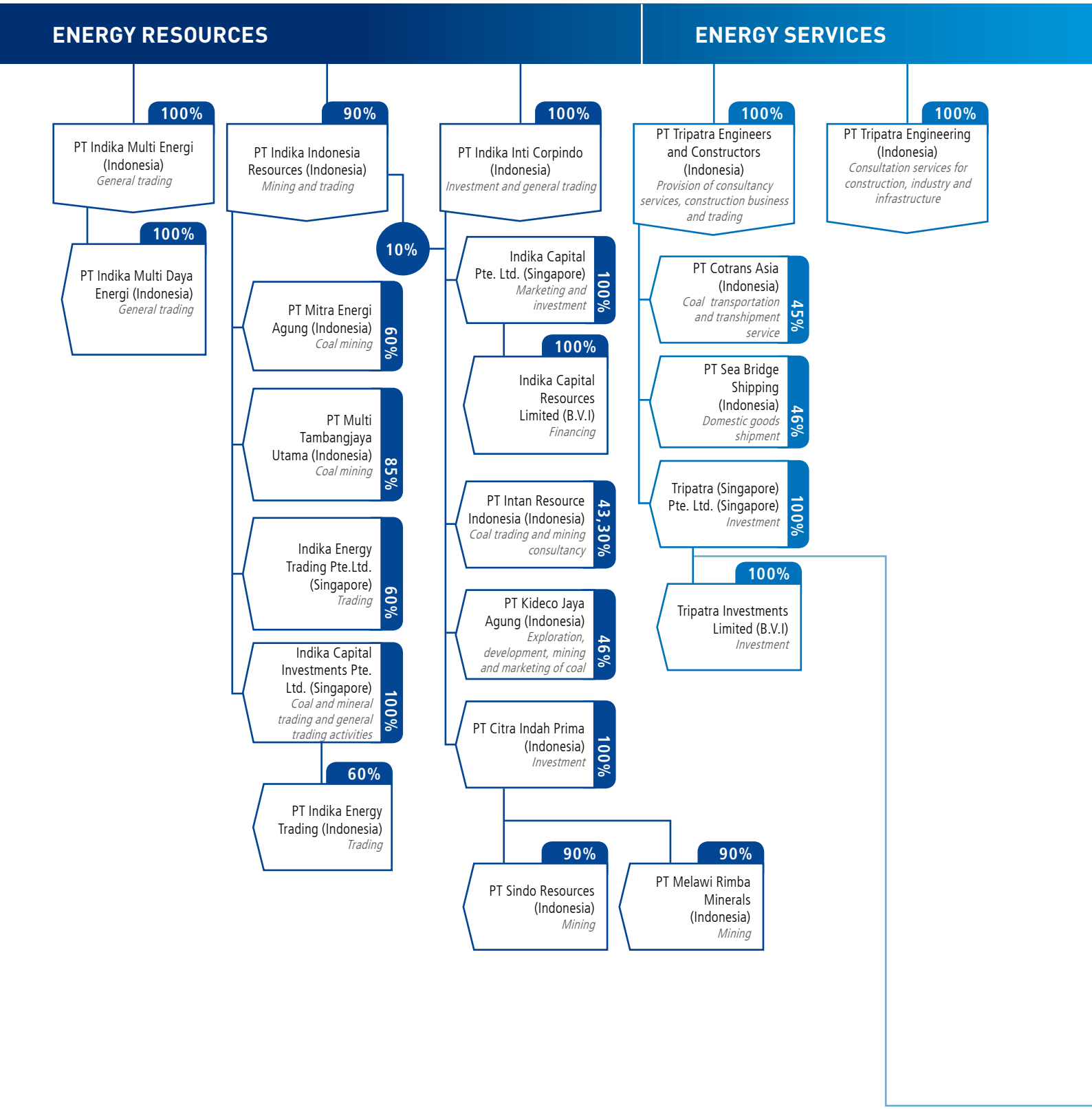
2015

- Initial operation of Indy Bintaro Office complex with the moving in Petrosea office.
- Establishment of Indika Multi Niaga.

2016

- **September**
  Tripatra awarded Tangguh LNG Expansion Project – Train 3.
- **October**
  MUTU started initial production.

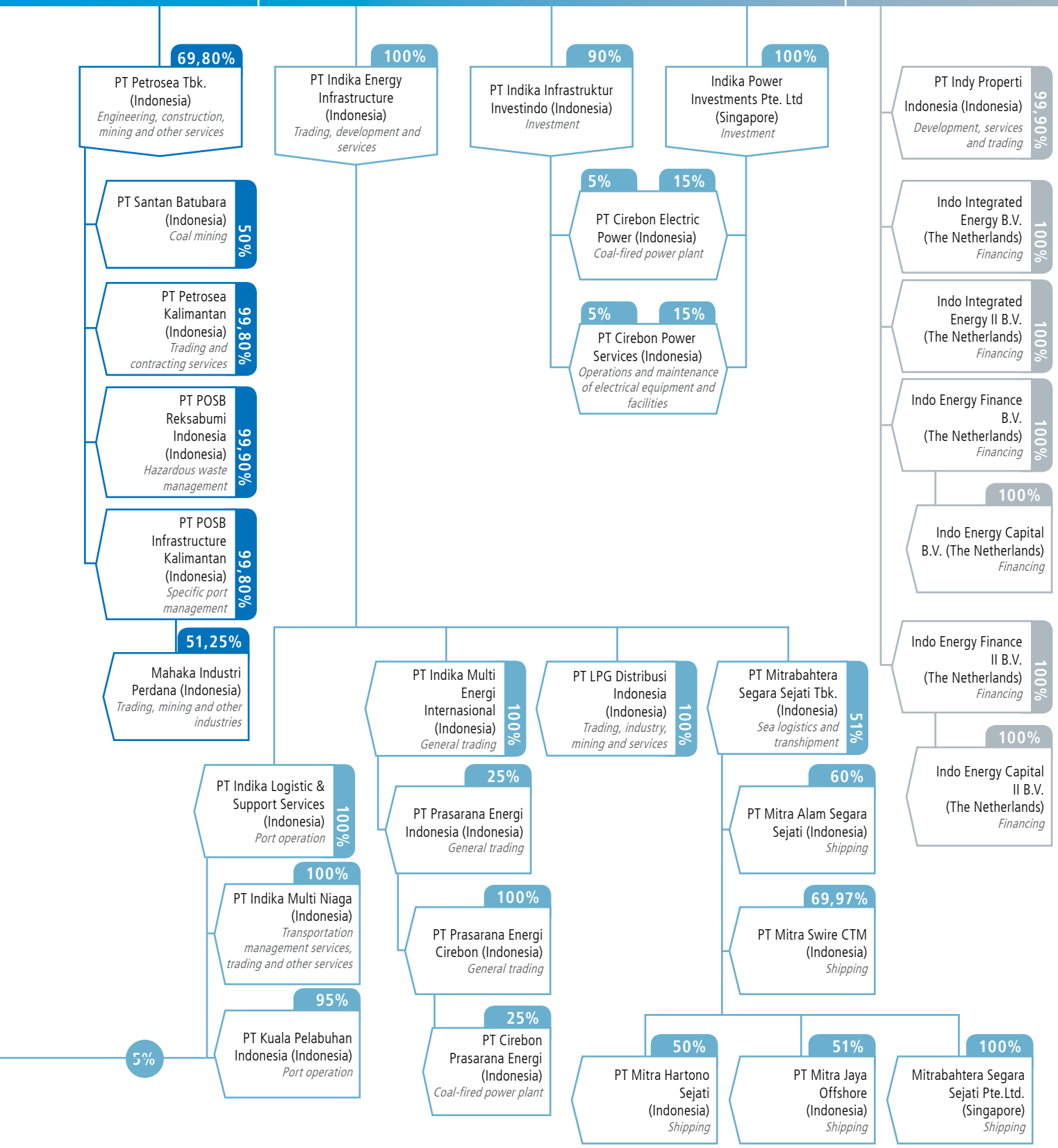
Corporate Structure



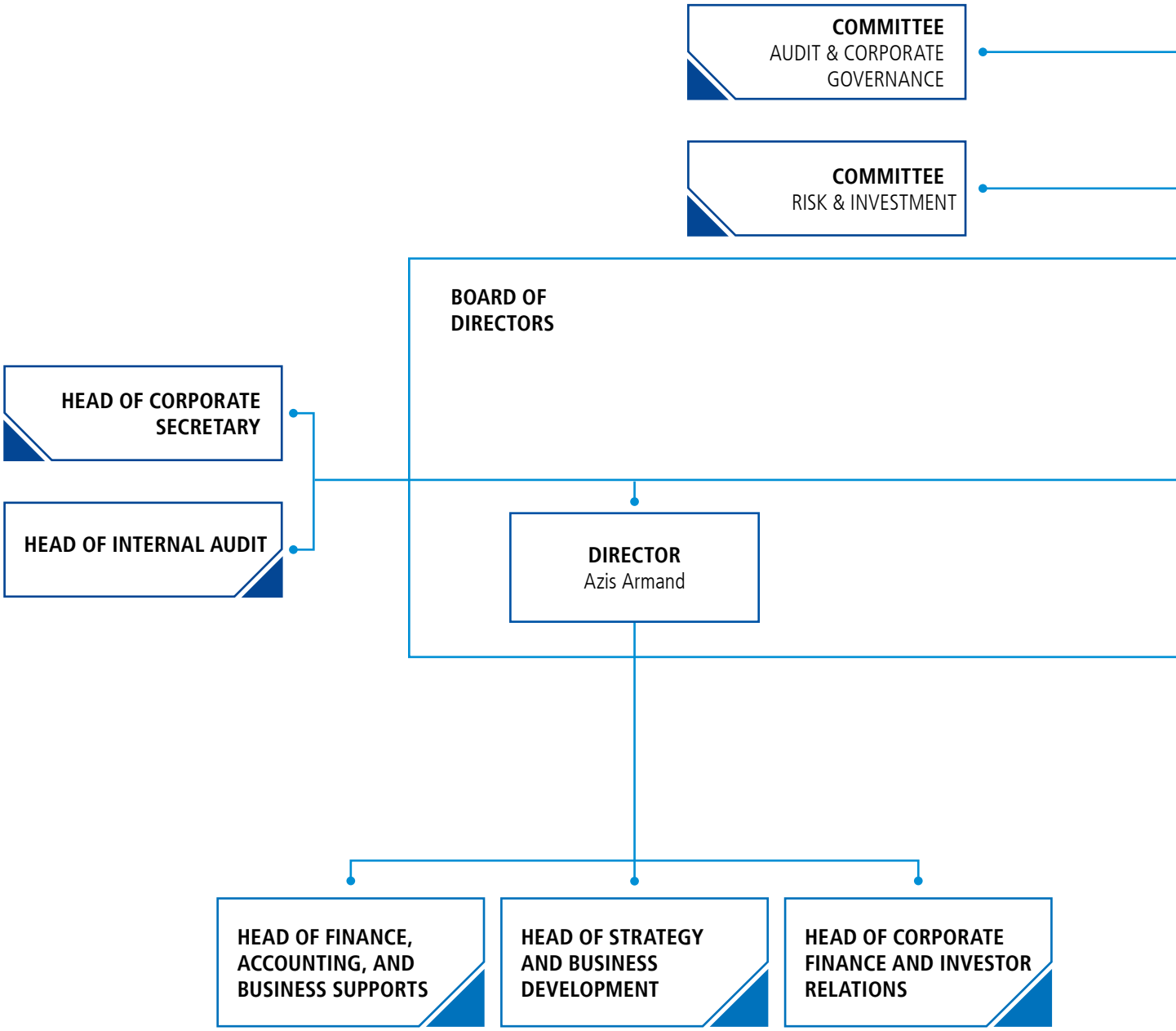
Note :

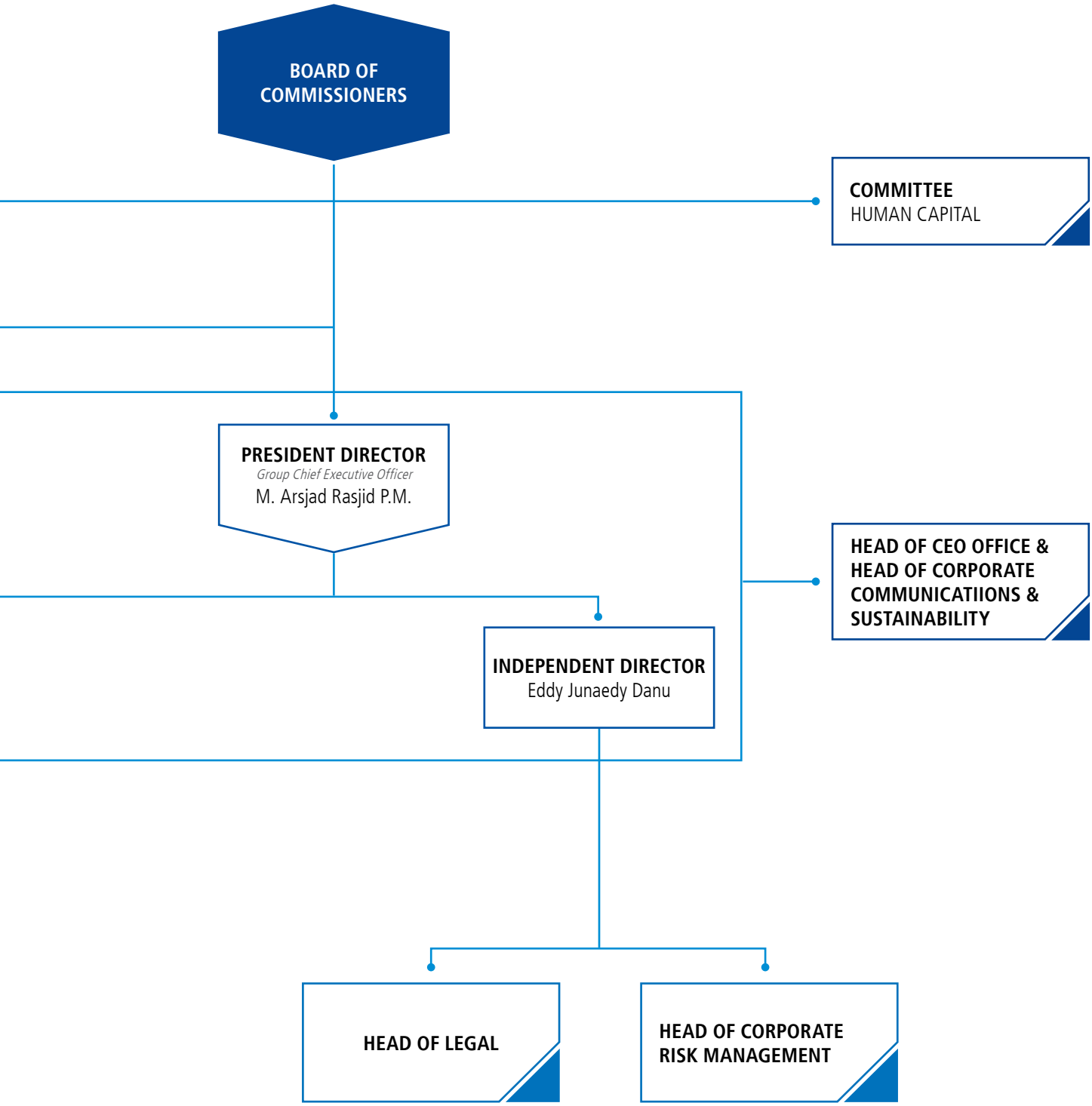
100% share ownership of Indonesian limited liability company (PT) held by 2 shareholders both of which are PT Indika Energy Tbk. and or its subsidiaries.

ENERGY INFRASTRUCTURE



Organization Structure




BOARD OF COMMISSIONERS
COMMITTEE
HUMAN CAPITAL
PRESIDENT DIRECTOR
Group Chief Executive Officer
M. Arsjad Rasjid P.M.
HEAD OF CEO OFFICE & HEAD OF CORPORATE COMMUNICATIIONS & SUSTAINABILITY
INDEPENDENT DIRECTOR
Eddy Junaedy Danu
HEAD OF LEGAL
HEAD OF CORPORATE RISK MANAGEMENT





Vision, Mission and Values

VISION

To be a world-class Indonesian energy company recognized for its integrated competencies in energy resources, services and infrastructure.

MISSION

1. To capitalise on the abundant energy resources in support of the global economic growth.
2. To create integration and synergies across businesses.
3. To create optimum shareholders value.
4. To continuously develop its human capital.
5. To become a good corporate citizen.

VALUES

Integrity: Honest with oneself, others and one's work at every moment by upholding prevailing ethical standards and legal norms.

Unity in diversity: Viewing diversity as an asset to the company and accepting, valuing, completing and strengthening one another as a solidly unified entity.

Teamwork: Actively contributing and collaborating based on trust and shared interests rather than personal interests.

Achievement: Achievement as the measure of success and the motivation to do what is best for the company.

Social Responsibility: Highly concerned for the environment and community, and contributing added value as well as contributing to the prosperity of the society.



Business Strategy

Indika Energy's five long term business strategies are reflected in its focus on creating synergies within the Company's three business pillars, boosting organic growth and expanding through acquisitions, to generate value to stakeholders.

Related to the prolonged decline in coal prices, the Company continued to focus on, and consistently implement, a strategy of improved operational efficiency, cash preservation and cost optimisation.

The management conducted ongoing efforts to optimise asset utilisation, reduce cost across the entire organisation,

rasionalise human capital and allocate capital expenditure prudently.



1

TO CAPITALISE ON INDONESIA'S ABUNDANT NATURAL RESOURCES AND GROWTH IN ENERGY DEMAND, INCLUDING IDENTIFYING AND ACQUIRING ATTRACTIVE ENERGY INVESTMENTS.

Indika Energy seeks out investments in the energy sector through a disciplined acquisition approach based on deep comprehension of energy assets. This requires Indika Energy to stay informed of natural resources regulatory developments and to promote Indonesia's economic development through its domestic and international interests.

2

TO INTEGRATE DIVERSE ENERGY PLATFORMS AND EXTRACT OPERATIONAL EFFICIENCIES.

Indika Energy's expertise and capabilities now span the entire coal energy operations business chain. Improved operational flexibility and cost management, and the provision of efficient services to clients throughout the value chain, are critical to extracting synergies from this integration.

3

TO LEVERAGE EXISTING PARTNERSHIPS AND EXPERTISE IN THE ENERGY SECTOR BY PURSUING INITIATIVES AIMED AT SUPPLYING AND SERVING NEW MARKETS.

Currently, Indika Energy plays a considerably large role in the coal mining industry as well as nationwide energy services including the logistics and energy infrastructure (power plant) businesses. Kideco's international customers include leading power plant companies from 16 countries across Asia and Europe. Its eco-friendly, low calorific, low-ash and low-sulfur coal gives rise to the possibility through blending of creating new products, for new markets.

4

TO OPTIMISE PRODUCTION OPERATIONAL EFFICIENCIES BY LEVERAGING EXISTING ASSETS FOR PRODUCTIVITY AND EFFICIENCY IN THE MINING OPERATIONS

Through structural planning and corporate work plans, Indika Energy's advanced Information and Communication Technology (ICT) system has been harnessed to support business decision making processes and objectives across all business units to achieve optimal efficiencies in the use of resources, cost management, fleet management and operational flexibility.

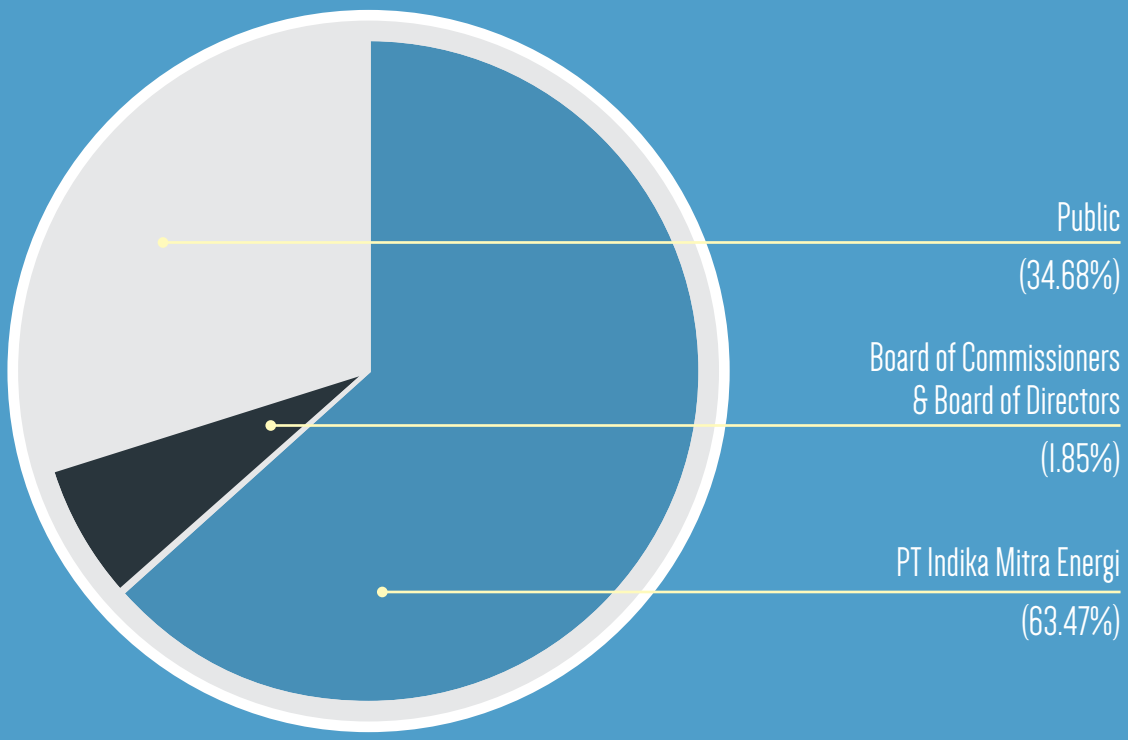
5

TO CONTINUE TO DIVERSIFY EARNINGS SOURCES AND STABILISE CASH FLOWS.

Indika Energy's business includes integrating attractive investments to diversify and grow earnings while maintaining financial prudence to ensure value protection

Shareholding Structure

as of 31 December 2016



SHARE OWNERSHIP BY BOARD OF COMMISSIONERS & BOARD OF DIRECTORS AS OF 31 DECEMBER 2016

NO.	NAME	POSITION	SHARES AMOUNT	SHARES (%)
1	Agus Lasmono	President Commissioner	10,156,000	0.19
2	Richard Bruce Ness	Commissioner	810,000	0.02
3	M, Chatib Basri	Independent Commissioner	-	-
4	Boyke W, Mukiyat	Independent Commissioner	-	-
5	M, Arsjad Rasjid P,M,	President Director	1,208,000	0.02
6	Azis Armand	Director	1,208,000	0.02
7	Eddy Junaedy Danu	Independent Director	81,880,500	1.57
	Total		**92,262,500**	**1.83**

CAPITAL STRUCTURE AS OF 31 DECEMBER 2016

AUTHORIZED CAPITAL	ISSUED & PAID-UP CAPITAL
Rp 1,700,000,000,000 (Divided into 17,000,000,000 shares, each share with a par value of Rp 100)	Rp 521,019,200,000 (US$ 56,892,154) (Divided into 5,210,192,000 Shares)

CONTROLLING SHAREHOLDERS AS OF 31 DECEMBER 2016

OWNERSHIP STATUS	NUMBER OF SHARES	OWNERSHIP (%)
PT Indika Mitra Energi*	3,307,097,790	63,47
JPMCB NA Re-JPMCB Singapore Branch	271,762,000	5,22

*) Controlled by Wiwoho Basuki Tjokronegoro & family with 40.5% ownership and Agus Lasmono with 59.5% ownership.

SHARE OWNERSHIP COMPOSITION AS OF 31 DECEMBER 2016

OWNERSHIP STATUS	NUMBER OF SHARES	OWNERSHIP (%)
Limited Liabilities Companies (PT)	3,342,192,081	64.15
Individuals - Domestic	935,581,077	17.96
Institutions - Foreign	433,215,242	8.31
Mutual Funds	404,855,300	7.77
Employees	35,579,500	0.68
Pension Funds	30,575,100	0.59
Insurance	18,694,000	0.36
Individual - Foreign	5,094,200	0.10
Foundations	4,386,000	0.08
Cooperatives	19,500	0.00
Total	**5,210,192,000**	**100**





2016 FINANCIAL HIGHLIGHTS

Indika Energy
Financial Highlights

Expressed in US$, unless otherwise stated

	2016	2015	2014
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME			
Revenues	**775,232,931**	1,097,296,489	1,109,508,311
Cost of Contracts and Goods Sold	**686,531,106**	1,008,966,857	948,472,697
Gross Profit	**88,701,825**	88,329,632	161,035,614
General and Administrative Expenses	**98,818,007**	103,752,957	132,267,653
Operating (Loss) Profit	**(10,116,182)**	(15,423,325)	28,767,961
Loss for The Year	**(104,230,726)**	(76,847,028)	(30,616,975)
Total Comprehensive Loss for The Year	**(102,566,344)**	(74,016,652)	(29,412,415)
Loss Attributable To :			
Owners of The Company	**(67,594,082)**	(44,587,878)	(27,635,381)
Non-Controlling Interests	**(36,636,644)**	(32,259,150)	(2,981,594)
Total Comprehensive Loss Attributable To:			
Owners of The Company	**(65,929,700)**	(41,757,502)	(26,430,821)
Non-Controlling Interests	**(36,636,644)**	(32,259,150)	(2,981,594)
Equity in net profit of Associates and Jointly-Controlled Entities	**59,464,493**	72,629,159	73,482,756
Outstanding Shares	**5,210,192,000**	5,210,192,000	5,210,192,000
Loss per share	**(0.0130)**	(0.0086)	(0.0053)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION			
Investment in associates	**260,422,206**	277,545,435	271,766,662
Investment in jointly-controlled entities	**10,832,519**	13,026,000	14,487,529
Investments in portofolio - Third party	**25,532,293**	59,241,118	54,780,796
Investments in bond	**-**	-	-
Total Current Assets	**667,436,233**	827,311,691	831,419,308
Total Non-Current Assets	**1,154,896,836**	1,323,133,520	1,458,891,053
Total Assets	**1 ,822,333,069**	2,150,445,211	2,290,310,361
Total Current Liabilities	**312,981,711**	505,612,838	396,736,289
Total Non-Current Liabilities	**768,241,790**	813,287,965	979,632,294
Total Liabilities	**1,081,223,501**	1,318,900,803	1,376,368,583
Total Equity	**741,109,568**	831,544,408	913,941,778
Total Liabilities & Equity	**1,822,333,069**	2,150,445,211	2,290,310,361

REVENUES
in US$

2016 | 775,232,931
2015| 1,097,296,489

-29.4%

0.4%

GROSS PROFIT
in US$

2016 | 88,701,825
2015 | 88,329,632

34.4%

OPERATING PROFIT
in US$

2016 | (10,116,182)
2015 | (15,423,325)

Expressed in US$, unless otherwise stated

	2016	2015	2014
GROWTH (%)			
Revenues	**-29.4%**	-1.1%	28.5%
Cost of Contracts and Goods Sold	**-32.0%**	6.4%	41.6%
Gross Profit	**0.4%**	-45.1%	-16.7%
General and Administrative Expenses	**-4.8%**	-21.6%	-13.2%
Operating Profit (Loss)	**34.4%**	-153.6%	-29.7%
Loss - Attributable to owners of the Company	**51.6%**	-61.3%	-55.8%
Total Assets	**-15.3%**	-6.1%	-1.1%
Total Liabilities	**-18.0%**	-4.2%	0.7%
Total Equity	**-10.9%**	-9.0%	-3.8%
OPERATING RATIO			
Operating Income (Loss) / Revenues (%)	**-1.3**	-1.4	2.6
Loss Attributable to the Owners of the Company / Revenues (%)	**-8.72**	-4.06	-2.49
Operating Profit (Loss) / Total Equity (x)	**-0.01**	-0.02	0.03
Loss Attributable to the Owners of the Company / Total Equity (x)	**-0.09**	-0.05	-0.03
Operating Profit (Loss) / Total Assets (x)	**-0.01**	-0.01	0.01
Loss Attributable to the Owners of the Company / Total Assets (x)	**-0.04**	-0.02	-0.01
PROFIT FINANCIAL RATIO			
Total Current Assets / Total Current Liabilities(x)	**2.13**	1.64	2.10
Total Liabilities / Total Equity (x)	**1.46**	1.59	1.51
Total Liabilities / Total Assets (x)	**0.59**	0.61	0.60

EQUITY IN NET PROFIT OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES
in US$

2016 | 59,464,493
2015 | 72,629,159

-18.1%

51.6%

LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY
in US$

2016 | (67,594,082)
2015 | (44,587,878)

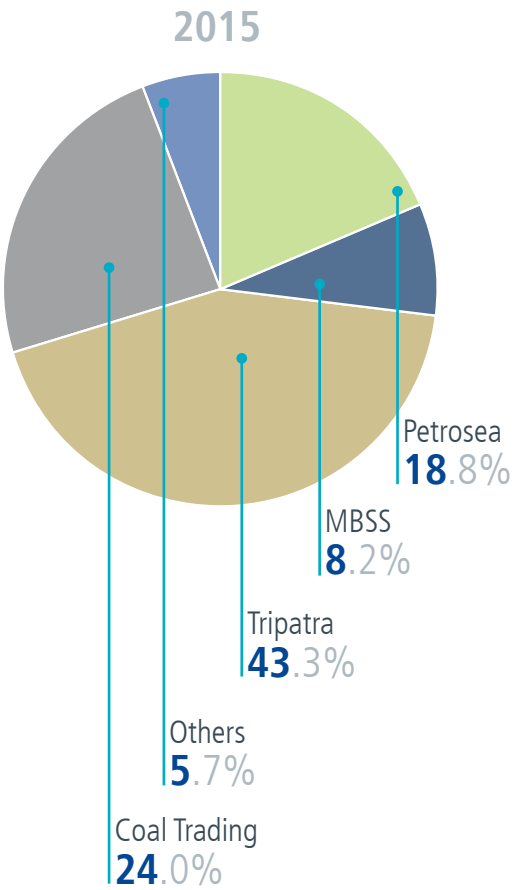
ADJUSTED EBITDA*
in US$

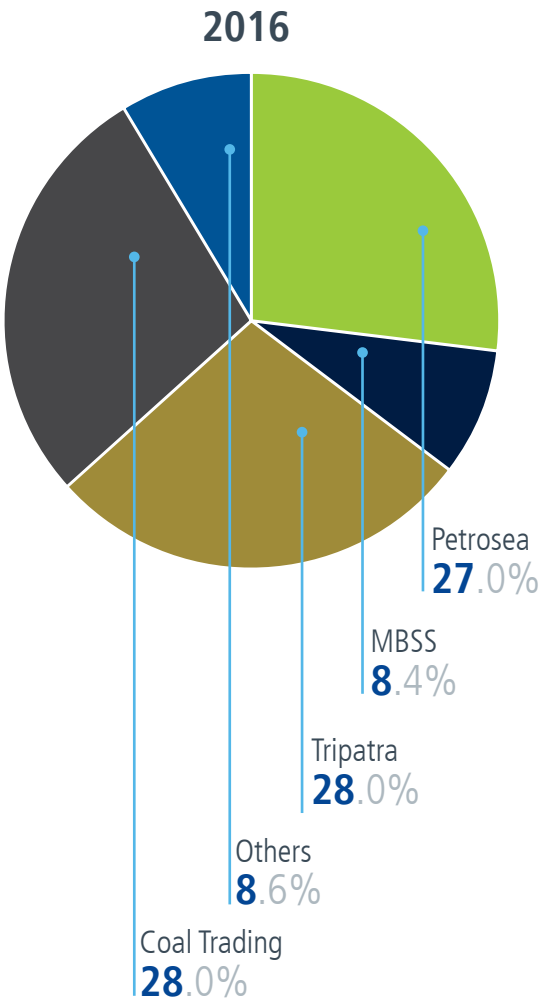
2016 | 155,714,099
2015 | 191,958,917

-18.9%

* Including dividends received from associates and jointly controlled companies.

Revenue Breakdown





US$ 1,097.3 million

US$ 775.2 million

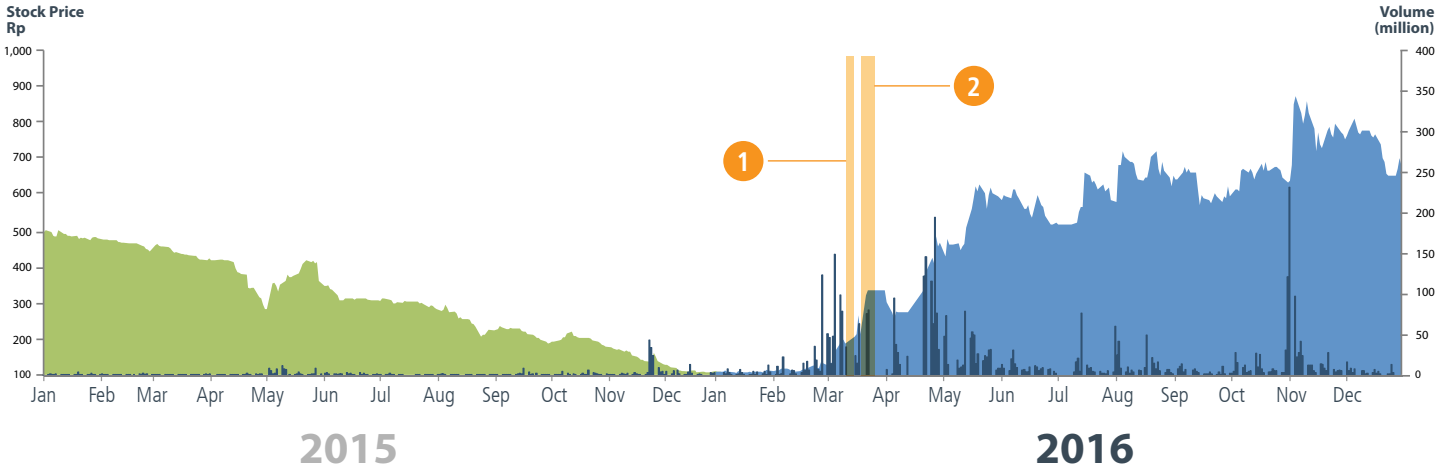
BOND INFORMATION

DESCRIPTION	VALUE	STOCK LISTING	INTEREST RATE	EFFECTIVE DATE	MATURITY DATE	RATING
Notes 2018	US$ 171.4 Million	Singapore Stock Exchange	7%	5 May 2011	7 May 2018	"Caa1" with negative outlook by Moody's and "CCC" with negative outlook by Fitch.
Notes 2023	US$ 500 Million	Singapore Stock Exchange	6.375%	24 January 2013	24 January 2023	"Caa1" with negative outlook by Moody's and "CCC" with negative outlook by Fitch.

DIVIDEND POLICY

	DIVIDEND AMOUNT (IN BILLION RP)	DIVIDEND PER SHARE (IN RP)	DIVIDEND PAYOUT RATIO	DIVIDEND PAYMENT DATE
2008	437.40	84.00	40.32% of 2008 Net Income	3 July 2009
2009	362.83	69.68	50.00% of 2009 Net Income	25 June 2010
2010	249.94	48.00 (INTERIM DIVIDEND)	–	30 November 2010
	135.39	26.00 (FINAL DIVIDEND)	–	29 July 2011
Total	385.30	74.00	50.00% of 2010 Net Income	
2011	312.61	60.00	25.79% of 2011 Net Income	26 July 2012
2012	US$19,000,000.00	US$0.003647	21.79% of 2012 Net Income	31 July 2013

Stock Highlights



SUSPENSION

In 2016, trading of INDY shares was suspended twice because of Unusual Market Activity (UMA).

8 MARCH

IDX has announced INDY UMA through letter Peng-UMA-0018/BEI.WAS/03-2016.

1 **18 MARCH**

IDX temporarily suspended trading of INDY shares through announcement Peng-SPT-0006/BEI.WAS/03-2016 dated 17 March 2016 (first suspension).

21 MARCH

IDX unsuspended trading of INDY shares through announcement Peng-SPT-0007/BEI.WAS/03-2016 dated 18 March 2016.

2 **23 MARCH**

IDX temporarily suspended trading of INDY shares through announcement Peng-SPT-0009/BEI.WAS/03-2016 dated 22 March 2016 (second suspension).

1 APRIL

IDX unsuspended trading of INDY shares through announcement Peng-SPT-0010/BEI.WAS/03-2016 dated 31 March 2016.

SHARE PRICE 2015-2016

YEAR	SHARE PRICE			TOTAL SHARES	TRANSACTION IN REGULAR MARKET			MARKET CAPITALIZATION (Rp)
	HIGHEST	LOWEST	CLOSING		TRANSACTION VOLUME	FREQUENCY (X)	VALUE (Rp billion)	
2015								
Q1	520	426	434	5,210,192,000	77,881,300,00	19,729	37,320,677,400,00	2,261,223,328,000
Q2	435	290	315	5,210,192,000	204,976,300,00	27,610	74,717,967,100,00	1,641,210,480,000
Q3	328	185	193	5,210,192,000	95,074,900,00	13,040	23,710,530,600,00	1,005,567,056,000
Q4	232	105	110	5,210,192,000	357,095,300,00	25,239	54,827,955,800,00	573,121,120,000
2016								
Q1	377	106	345	5,210,192,000	1,856,935,500,00	60,810	340,227,898,800,00	1,797,516,240,000
Q2	685	252	540	5,210,192,000	3,059,840,300,00	148,270	1,393,511,723,400,00	2,813,503,680,000
Q3	785	515	615	5,210,192,000	918,090,800,00	62,577	627,546,645,000,00	3,204,268,080,000
Q4	1005	625	705	5,210,192,000	1,565,121,800,00	109,260	1,292,200,530,000,00	3,673,185,360,000

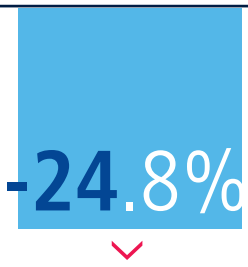
KIDECO
FINANCIAL HIGHLIGHTS

Expressed in US$, unless otherwise stated

	2016	2015	2014
COMPREHENSIVE STATEMENTS OF INCOME			
Sales	**1,247.8**	1,658.2	2,059.4
Cost of Sales	**1,067.8**	1,376.9	1,731.1
Gross Profit	**180.0**	281.3	328.3
Operating Expenses	**24.7**	27.8	32.7
Operating Income	**155.4**	253.6	295.6
Net Income	**88.6**	138.1	154.4
STATEMENT OF FINANCIAL POSITION			
Total Current Assets	**273.9**	400.5	396.0
Total Non-Current Assets	**171.4**	182.2	206.4
Total Assets	**445.3**	582.8	602.4
Total Current Liabilities	**146.0**	211.5	224.3
Total Non-Current Liabilities	**53.7**	48.0	51.6
Total Liabilities	**199.7**	259.6	275.8
Total Equity	**245.6**	323.2	326.6
Total Liabilities & Equity	**445.3**	582.8	602.4
GROWTH (%)			
Sales	**-24.8**	-19.5	-2.9
Cost of Sales	**-22.5**	-20.5	4.6
Gross Profit	**-36.0**	-14.3	-29.5
Operating Expenses	**-11.1**	-15.2	3.6
Operating Income	**-38.7**	-14.2	-31.9
Net Income	**-35.8**	-10.5	-27.3
Total Assets	**-23.6**	-3.3	-12.3
Total Liabilities	**-23.1**	-5.9	-14.7
Total Equity	**-24.0**	-1.0	-10.1

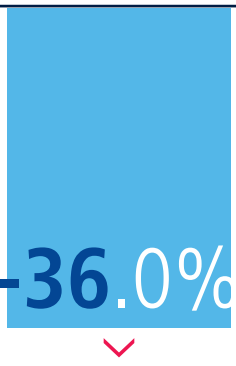
REVENUES
in million US$

2016 | 1,247.8
2015 | 1,658.2



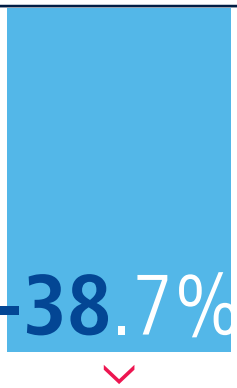
GROSS PROFIT
in million US$

2016 | 180.0
2015 | 281.3



EBIT
in million US$

2016 | 155.4
2015 | 253.6



Expressed in US$, unless otherwise stated

	2016	2015	2014
OPERATING RATIO			
Operating Income / Sales (%)	**12.45**	15.29	14.35
Net Income / Sales (%)	**7.10**	8.33	7.50
Operating Income / Total Equity (x)	**0.63**	0.78	0.90
Net Income / Total Equity (x)	**0.36**	0.43	0.47
Operating Income / Total Assets (x)	**0.35**	0.44	0.49
Net Income / Total Assets (x)	**0.20**	0.24	0.26
FINANCIAL RATIO			
Total Current Assets / Total Current Liabilities (x)	**1.88**	1.89	1.77
Total Liabilities / Total Equity (x)	**0.81**	0.80	0.84
Total Liabilities / Total Assets (x)	**0.45**	0.45	0.46

NET PROFIT
in million US$

2016 | 88.6
2015 | 138.1

-35.8%

EBITDA
in million US$

2016 | 179.6
2015 | 281.8

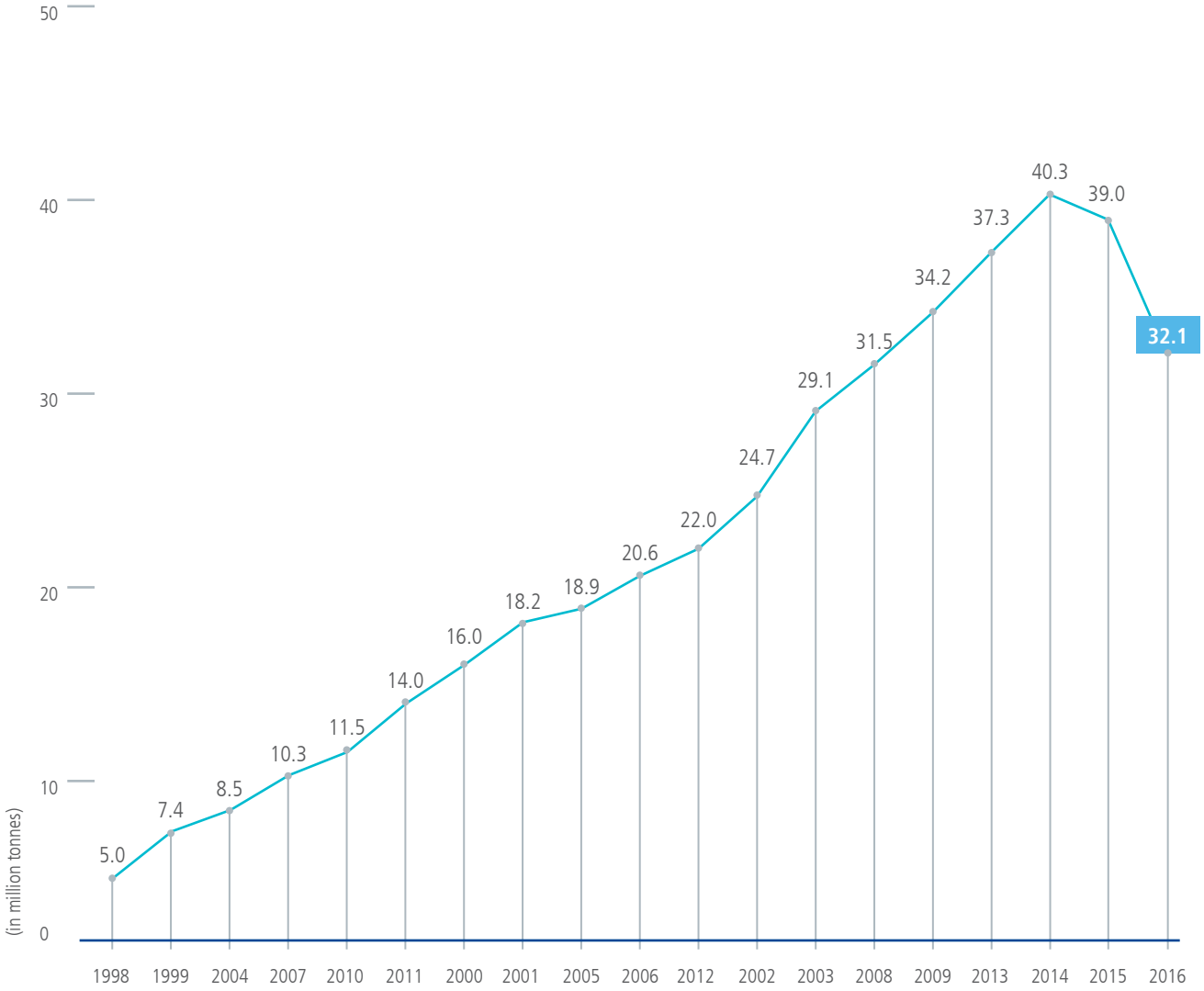
-36.3%

SALES VOLUME
in million ton

2016 | 32.5
2015 | 38.6

-15.8%

Kideco´s
Coal Production



COAL RESERVES BY PIT

in million tonnes

AREA	CALORIFIC VALUE (KCAL)	PROVED	PROBABLE	TOTAL
Roto North	5,615	-	9.0	9.0
Roto South	4,940	43.0	19.0	62.0
Roto South G (Biu)	4,855	-	8.0	8.0
Roto Middle	4,785	14.0	8.0	22.
Susubang	5,705	1.0	3.0	4.0
Samarangau	4,430	96.0	221.0	317.0
Total		**154.0**	**268.0**	**422.0**

Based on JORC Report dated June 2015

COAL RESOURCES BY PIT

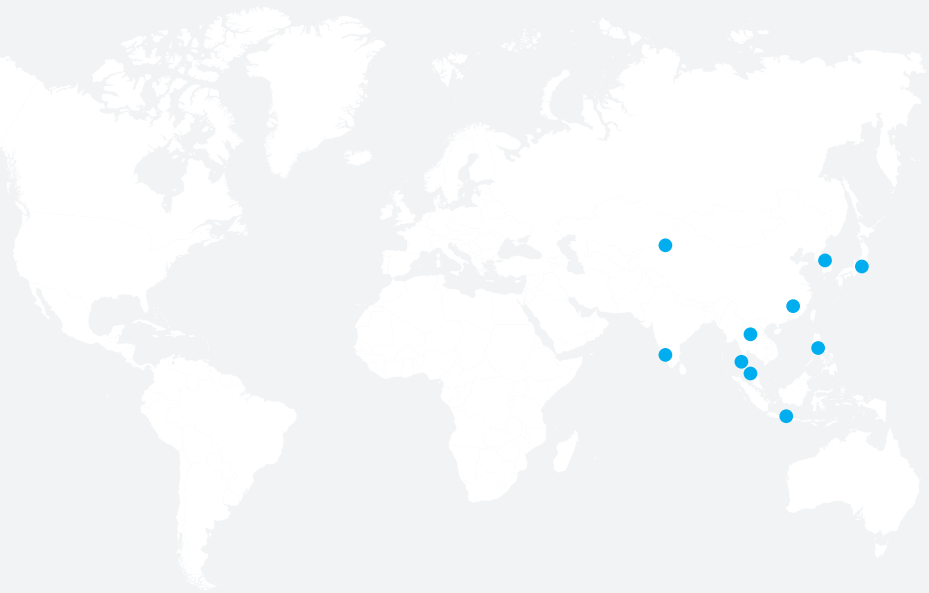
in million tonnes

AREA	*MEASURED*	*INDICATED*	*INFERRED*	TOTAL
Roto North	-	23.0	17.0	40.0
Roto South	60.0	72.0	44.0	175.0
Roto South G (Biu)	-	12.0	21.0	33.0
Roto Middle	55.0	68.0	64.0	187.0
Susubang	1.0	5.0	3.0	9.0
Samarangau	142.0	585.0	208.0	935.0
Total	**250.0**	**775.0**	**350.0**	**1.375.0**

Based on JORC Report dated June 2015

SALES BY DESTINATION 2016

DESCRIPTION	VOLUME (thousand tonnes)	%
China	8.667	26,7%
Indonesia	8.565	26,4%
India	3.231	10,0%
Korea	2.650	8,2%
Philipines	2.350	7,2%
Malaysia	1.835	5,7%
Japan	1.460	4,5%
Taiwan	1.275	3,9%
Thailand	970	3,0%
Others	1.458	4,5%



OPERATION BY PIT 2016

DESCRIPTION	ROTO NORTH	ROTO SOUTH	ROTO MIDDLE	SAMARANGAU	SUSUBANG	TOTAL
Overburden (million bcm)	8.6	89.5	19.7	71.2	4.8	193.9
Production (million tonnes)	2.3	10.2	2.3	16.7	0.6	32.1
Stripping Ratio (x)	3.8	8.8	8.3	4.3	8.0	6.0



PRESIDENT COMMISSIONER´S AND PRESIDENT DIRECTOR´S MESSAGES



President Commissioner's Message



"THE COMPANY HAS SUCCESSFULLY LAID THE FOUNDATIONS OF A TURNAROUND THAT WILL DELIVER BENEFITS TO SHAREHOLDERS IN 2017 AND BEYOND, DEMONSTRATING OUR ABILITY TO FORGE AHEAD."

AGUS LASMONO | President Commissioner

Distinguished Shareholders,

2016 was an extremely volatile year for the coal sector and related businesses. The main variable was the Chinese moratorium on imported coal, which was suddenly and unexpectedly relaxed at the end of the third quarter in order to meet domestic demand for coal with winter coming on. While Chinese demand has historically risen at this time due to the weather, the extent was unprecedented, and given tightened global supply after several years of declining prices, the resulting supply-demand imbalance drove prices up.

The oil and gas sector also saw enormous fluctuation, continuing its downward trajectory which began in 2014 due to shale oil production in the United States, and OPEC and Russian output. However, similar to coal, oil prices rose sharply to record levels at year-end as production from the United States and Nigeria decreased.

EVALUATION OF THE COMPANY'S MANAGEMENT AND STRATEGY EXECUTION

In the first half of 2016, our businesses were affected by the continued in decline in coal and oil and gas prices. The significant improvement that took place towards the end of the year came too late to have much impact on our 2016 business results. Under these circumstances, revenue declined by 29.4% to US$ 775.2 million. Due to various one offs, the Company recorded Loss Attributable to the Owners of the Company of US$ 67.6 million compared with a loss of US$ 44.6 million in 2015.

Viewed at a fundamental level, however, the Company in fact showed improvement. Gross profit remained stable at approximately US$ 88 million and gross margins improved by 0.4%. On a normalized basis (taking out non recoverable tax, impairment of assets and certain employee benefits in 2016 as well as gain on partial repurchase of 2018 Notes netted off against impairment of assets in 2015), Loss Attributable to the Owners of the Company would have been US$ 29.0 million compared with US$ 55.8 million in 2015.

These numbers suggest that the Board of Director's turnaround strategy, which was implemented since 2015, is beginning to see traction. Over the past two years, the management has reduced cost, stabilized operations and increased efficiency, preserved cash and deferred capex in response to the adverse business climate. In 2016 alone, total debt was reduced by about US$ 164.9 million to US$ 805.3 million, and costs were reduced by US$ 4.9 million, with the full impact of the cost reduction initiatives to be felt in the coming year. In parallel, various new contracts have been secured, increasing the value of the total backlog for MBSS, Petrosea and Tripatra at the end of 2016 to US$ 1,706.5 million. The Company moreover has room and resources to invest thanks to its solid cash and other financial assets balance recorded at US$ 308.1 million at year end.

In summary, these initiatives have not only improved the Company's fundamentals but have also substantially strengthened the Group's competitiveness. In light of these indicators, it is our opinion that the Board of Directors has successfully laid the foundations of a turnaround that will deliver benefits to shareholders in 2017 and beyond, demonstrating our resiliency and ability to bounce back.

IMPLEMENTATION OF CORPORATE GOVERNANCE

Notwithstanding the adverse business climate, corporate governance continued to be a priority. Indika Energy remains committed to the highest standards of corporate governance, along with all its subsidiaries. In doing so, the Board of Commissioners regularly supervised and advised the Board of Directors through scheduled meetings as well as interim discussions and reports. Overall, the Board of Commissioners is

satisfied that the implementation of corporate governance under the Board of Directors has met relevant standards. In particular, the Code of Business Conduct has been uniformly implemented across the Group regardless of rank.

OPINION ON BUSINESS PROSPECTS

The improvements forecast by the Board of Directors for 2017 are based on sound reasoning. The improved backlog at subsidiaries will contribute to certain revenue growth, while the cost cutting measures taken in 2016 have already reduced expenses somewhat, with the full benefit still to be felt in 2017. In addition, the write downs taken in 2016 have effectively streamlined the balance sheet.

Externally, while the potential for volatility remains high, indicators suggest that the global pricing environment has stabilized somewhat for coal as well as for oil, which has an indirect effect on coal pricing. The production cuts of previous years have also brought supply and demand into better equilibrium, which should contribute to market stability. Meanwhile, the actions taken by the management have effectively positioned the Company to be more productive and competitive regardless of the business climate.

Based on these factors, we are therefore confident in the management's reasoning that 2017 will be a better year for Indika Energy and its shareholders.

CHANGES TO THE BOARD OF COMMISSIONERS

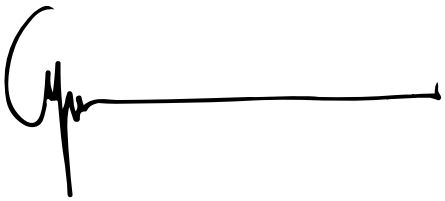
The number of Commissioners was reduced from seven to five during the year, and was further reduced to four in January 2017. At the Annual General Meeting of Shareholders (AGMS) dated 28 April 2016, Wiwoho Basuki Tjokronegoro, Indracahya Basuki, Pandri Prabono-Moelyo and Dedi Aditya Sumanagara resigned as members of the Board of Commissioners, and the AGMS appointed as their replacements Wishnu Wardhana, previously President Director of Indika Energy, Richard Bruce Ness, previously a Director of Indika Energy, as a Commissioner, and Boyke Wibowo Mukiyat as an Independent Commissioner.

In early December 2016, Wishnu Wardhana resigned from his position as President Commissioner to focus on other endeavours. Subsequently, at the Extraordinary General Meeting of Shareholders (EGMS) on 30 January 2017, I was appointed President Commissioner.

On behalf of the Board of Commissioners, I would like to welcome Boyke Wibowo Mukiyat to the Board of Commissioners and look forward to his active and valuable contributions. I would also like to express our gratitude to Wiwoho Basuki Tjokronegoro, Indracahya Basuki, Pandri Prabono-Moelyo, Dedi Aditya Sumanagara and Wishnu Wardhana for their numerous contributions to the Company. We wish them all success.

SUMMARY

The last few years have not been easy, as we have struggled to perform in the midst of adversity. The Board of Commissioners wishes to commend the management and all employees for their efforts, which are finally beginning to pay off. We also thank our valuable customers for their business. We look forward to a better year in 2017 for all of us, including our partners, shareholders and stakeholders at large.



AGUS LASMONO
President Commissioner

President Director's Message



"OPERATIONS HAVE BEEN STABILIZED AND GROUP'S PERFORMANCE IMPROVED AS APPARENT IN THE INCREASE OF GROSS PROFIT."

M. ARSJAD RASJID P.M.
| President Director & Group CEO

Valued Shareholders,

Conditions in 2016 continued to be highly challenging for the majority of the Indonesian energy industry. In the early part of the year, conditions worsened yet further in the coal and oil and gas sector. The Indonesian HBA (*Harga Batubara Acuan*) thermal coal reference price reached its lowest point in more than five years at US$ 50.92 per tonne in February, while crude oil prices plunged to a thirteen-year-low of US$ 26.55 per barrel in January.

In the third quarter however, coal prices spiked, driven primarily by increasing Chinese demand and limited supply. By December, the HBA had skyrocketed to US$ 101.69 per tonne, its highest point since early 2012, although the HBA has since moderated to hover around US$ 85 per tonne. Meanwhile crude oil prices rose in the second half of the year, nearly doubling to peak at US$ 54 per barrel at the end of the year. Such volatility posed a major challenge to all businesses in the sector.

STRATEGY AND PERFORMANCE IN 2016

In this uncertain climate, the ongoing strategy that we began in 2015 produced early signs of turnaround, showing our resilience as we forged ahead. This strategy comprised four initiatives: cost savings and operational improvement, stabilization of operations including business consolidation and divestment of non-core assets, cash preservation in conjunction with lower debt, and improved business development. Under this strategy, the Company has substantially streamlined its costs, saving 4.8% or US$ 4.9 million in 2016 with the full impact of the cost savings yet to be felt in 2017.

Overall, operations have been stabilized with divestment of various non-core assets in process, and debt has been reduced by US$ 267.7 million over the last four years, thus lowering financing costs. Finally, and very importantly, business development efforts improved our backlog value by more than 60% to US$ 1,706.5 million at the end of 2016. Thanks to these efforts, Group's performance improved as apparent in the increase of gross profit from 8.0% in 2015 to 11.4% in 2016.

That said, the full impact of the turnaround will not be seen until next year. Revenue was still down for 2016, with the main factors being a decline in revenue from Tripatra, where major projects completed as anticipated; from MBSS, due to lower volumes transported and continued pricing pressure; and from coal sales and trading, which saw lower volumes and prices. Consequently, Indika Energy recorded a 29.4% decrease in revenue to US$ 775.2 million, although gross profit remained stable at around US$ 88 million in 2016 and 2015.

At the businesses, the biggest losses came from IIR, MBSS and Petrosea. Whereas equity in net profit of associates and jointly controlled entities declined by US$ 13.2 million to US$ 59.5 million in 2016, with the main factor being lower income from Kideco due to lower production and coal prices. In addition, at the consolidated level, Company took a number of write downs mainly related to non-recoverable tax, and impairment of intangible assets and property plant and equipment as the estimated future value of assets were marked down in the adverse business climate.

As a result, the Loss Attributable to the Owners of the Company increased by 51.6% to US$ 67.6 million in 2016. On a normalized basis however, Loss Attributable to the Owners of the Company would have been US$ 29.0 million compared with US$ 55.8 million in 2015.

BUSINESS PROSPECTS

Based on the above and the improving business climate, we are confident that the Company will significantly improve its performance in 2017. Apart from indications of accelerating national economic growth and generally higher coal and oil and gas prices, we expect that the higher backlog and improved

cost structure will deliver top as well as bottom line growth. In particular, the full impact of the organizational rationalization will be felt in 2017, and is expected to have significant impact. It should also be noted that the Company had substantial cash and other financial assets amounting to US$ 308.1 million at the end of 2016, giving it flexibility to manoeuvre.

Going forward, the Company will continue to explore business opportunities, control costs and pay down debt. The actions taken over the past two years have advantageously positioned its business to compete going forward, with a number of its businesses having increased their market share or begun new lines of business, which bodes well for the sustainability of the business.

IMPLEMENTATION OF CORPORATE GOVERNANCE

At Indika Energy, we regard good corporate governance as the cornerstone of our business. In keeping with our vision and mission of being a world-class company, we moreover ensure that we stay informed of new corporate governance developments in the United States and OECD, and strive to adopt them.

Among others, Indika Energy Group upholds diversity and rejects discrimination based on religion, gender or ethnicity; safeguards its political neutrality; and has implemented anti

bribery and anti-fraud practices. These principles apply to all employees and management of Indika Energy regardless of position.

In the interests of streamlining, after due consideration it was decided the functions of the Audit Committee and the Good Governance Committee could be more efficiently performed by the same set of people. Therefore, in 2016, the Audit Committee and Good Governance Committee were merged, generating time and coordination savings without any loss of functionality. These changes did not in any way impair our ability to uphold all principles of good corporate governance, and we continued to ensure that Indika Energy was properly run in compliance with all applicable rules and regulations.

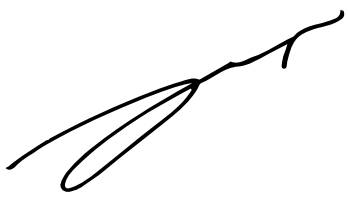
CHANGES TO THE BOARD OF DIRECTORS

At the 28 April 2016 AGMS, Wishnu Wardhana, Richard Bruce Ness, Rico Rustombi and Joseph Pangalila resigned from the Board of Directors, and Wishnu Wardhana and Richard Bruce Ness were subsequently appointed to the Board of Commissioners. At the AGMS, I also resigned as Vice President Director and was reappointed at President Director, joining my colleagues Azis Armand and Eddy Junaedy Danu as Board of Directors.

We thank Wishnu Wardhana, Richard Bruce Ness, Rico Rustombi and Joseph Pangalila for their service as Directors.

SUMMARY

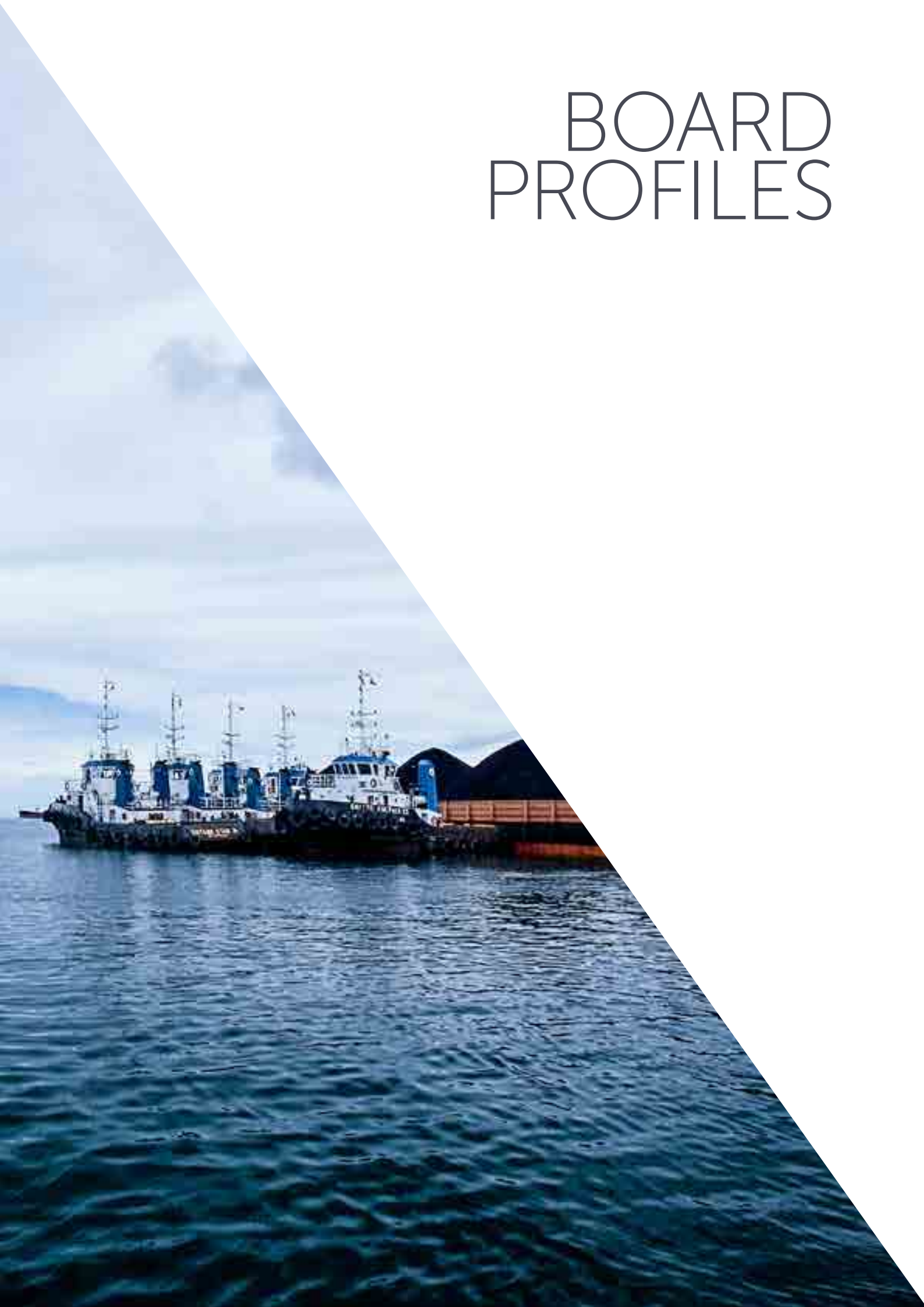
The past few years have been an extremely challenging period for the energy sector, especially for businesses related to coal and to a lesser extent, oil and gas. On behalf of the Board of Directors, I would like to thank all of our dedicated employees, the Board of Commissioners, our customers and partners, and especially our loyal shareholders for your support and patience. We believe that in 2017 your trust in us will be rewarded.



M. ARSJAD RASJID P.M.
President Director & Group CEO



BOARD PROFILES



Board of Commissioners



AGUS LASMONO

President Commissioner



MUHAMAD CHATIB BASRI

Independent Commissioner



BOYKE WIBOWO MUKIYAT

Independent Commissioner



RICHARD BRUCE NESS

Commissioner

Board of Commissioners Profile



AGUS LASMONO

President Commissioner

Age 45, appointed as President Commissioner of Indika Energy since 2017 as referred to Deed Number 24 dated 30 January 2017. Bapak Agus Lasmono is the founder and owner of Indika Energy, he was Vice President Commisioner of Indika Energy from 2007 to 2017.

He also member of Human Capital Committee of Indika Energy as referred to Board of Commissioners Decree No. 076/IE/BOC/DEC/VII/2016.

Bapak Agus Lasmono also holds positions as President Commissioner of PT Net Mediatama Televisi (since 2012), PT Indika Inti Corpindo (since 2004) and PT Indika Inti Holdiko (since 2004) and Commissioner of Kideco (since 2004), and as President Director of PT Indika Mitra Energi (since 2010), and PT Indika Multi Media (since 2002).

Previously he also held positions such as Independent Commissioner of PT Surya Citra Media Tbk. and PT Surya Citra Televisi (2005-2013).

He earned his Bachelor of Arts in Economics from Pepperdine University, Malibu, California, United States in 1993 and Master degree in International Business from West Coast University, Los Angeles, California, United States in 1995.



MUHAMAD CHATIB BASRI

Independent Commissioner

Age 52, appointed as Independent Commissioner of Indika Energy in 2015 as referred to Deed Number 95 dated 29 April 2015, after previously serving as Independent Commissioner from March 2008 to June 2012. He also Chairman of Human Capital Committee of Indika Energy as referred to Board of Commissioners Decree No. 076/IE/BOC/ DEC/VII/2016 and member of Risk & Investment Committee of Indika Energy as referred to Board of Commissioners Decree No.077/IE/BOC/DEC/ VII/2016.

He is also President Commissioner of PT XL Axiata Tbk. (since 29 September 2017), President Commissioner of Indonesia Infrastructure Finance (since 2015), Independent Non-Executive Director of Axiata Group Berhad, Malaysia (since 2015) and Independent Commissioner of PT Astra International Tbk.

Bapak M. Chatib Basri was Minister of Finance of the Republic of Indonesia (2013-2014), Chairman of Investment Coordinating Board of the Republic of Indonesia (2012-2013), Vice Chairman of the National Economic Committee of the Republic of Indonesia (2010-2012), Special Advisor to the Minister of Finance of the Republic of Indonesia (2006-2010), Deputy Minister of Finance of the Republic of Indonesia for G-20 (2006-2010), Advisor to the Coordinating Minister for Economic Affairs of the Republic Indonesia (2004-2005).

Bapak M. Chatib Basri is a member of the World Bank Advisory Council on Gender and Development, and Chairman of the Advisory Board at Mandiri Institute. He is the Thee Kian Wie visiting Professor at Australian National University, and is also a Senior Lecturer at the Department of Economics, University of Indonesia. He was a Senior Fellow of Harvard Kennedy School, United States (2015-2016) and a member of the Asia Pacific Regional Advisory Group of the International Monetary Fund (IMF) (2010-2012).

He earned his Bachelor degree Economics from University of Indonesia in 1992, then awarded a Master of Economic Development and Ph.D in Economics from Australian National University in 1996 and 2001 respectively.

BOYKE WIBOWO MUKIYAT

Independent Commissioner

Aged 58, was appointed as Independent Commissioner of Indika Energy in 2016 as referred to Deed Number 58 dated 28 April 2016. Bapak Boyke also holds the positions of President Commissioner of PT Rukun Raharja Tbk. and President Director of PT Truba Jaya Engineering.

He is the Chairman of Audit & Corporate Governance Committee of Indika Energy as referred to Board of Commissioners Decree No.075/IE/BOC/DEC/VII/2016 and member of Risk & Investment Committee of Indika Energy as referred to Board of Commissioners Decree No.077/IE/BOC/DEC/VII/2016.

Previously, Bapak Boyke also served as President Commissioner of PT Jakarta Propertindo (2015-2016), as Commissioner of PT Pertamina EP Cepu (2014-2015), President Director of PT Perusahaan Pengelola Aset (2008-2013), President Director of PT Bahana Pembinaan Usaha Indonesia (2006-2008), Director of PT Bahana Pembinaan Usaha Indonesia (2001-2006), President Director of PT Niaga Asset Management (1999-2001) and Director of PT Niaga Asset Management (1997-1999).

He earned a Diploma degree in Marketing & Business Administration from London Business School United Kingdom in 1980, a Bachelor degree in Accounting from Jayabaya Academy, Jakarta in 1984, and Bachelor degree in Economics from University of Indonesia in 1990. Bapak Boyke is also an alumni of London Business School in 2004 and John F. Kennedy Harvard Government School, United States, in 2006.





RICHARD BRUCE NESS

Commissioner

Age 67, appointed as Commissioner of Indika Energy in 2016 as referred to Deed Number 58 dated 28 April 2016, previously serving as Director of Indika Energy from May 2009 to April 2016, whilst held position as Independent Director in 2013 to 2014. Bapak Rick initially joined Indika Energy as Director in 2009 with reference to Deed Number 123 dated 28 May 2009. He also member of Risk & Investment Committee of Indika Energy as referred to Board of Commissioners Decree No.077/IE/BOC/DEC/VII/2016.

He also serves as President Commissioner of Petrosea (since 2010). He has been actively involved in the energy, resources and mining sectors for more than 30 years. Previously, he also served as Commissioner of MBSS (2010-2011), as President Director of various affiliates and subsidiaries of Newmont, as mining consultant at PT Clinton Indonesia and as Vice President of Freeport. He also holds the position of Chairman of Mining for the American Chamber of Commerce, Indonesia.

Bapak Rick earned a Bachelor degree in Mechanics from Moorhead Technical Institute, Minnesota, USA, in 1969 and attended Moorhead State University, Minnesota, USA, for additional studies in post-secondary education until 1979. He also completed a Professional Management program at Harvard Business School, USA, in 1992.

Board of Directors



M. ARSJAD
RASJID P.M.
President Director



AZIS
ARMAND
Director



EDDY JUNAEDY
DANU
Independent Director

Board of Directors Profile



M. ARSJAD RASJID P.M.

President Director

Age 47, appointed as President Director of Indika Energy in May 2016, as referred to Deed Number 60 dated 28 April 2016 whilst previously he held position as Vice President Director from May 2014 to April 2016 and President Director from February 2007 to May 2014. Bapak Arsjad Rasjid initially appointed as President Commissioner of Indika Energy in 2000 with reference to Deed Number 31 dated 19 October 2000.

Currently he also holds positions as President Commissioner of MBSS (since 2010), PT Indika Indonesia Resources (since 2016), PT Indika Logistic & Support Services (since 2015) and PT Indy Properti Indonesia (since 2014). Commissioner of PT Indika Mitra Energi (since 2010), Kideco (since 2017), Tripatra (2007-2015) (2016-present), PT Indika Multi Energi (since 2015) and PT Indika Energy Infrastructure (since 2016). President Director of PT Indika Inti Corpindo (since 2016) and PT Indika Infrastruktur Investindo (since 2016).

Bapak Arsjad Rasjid studied at the University of Southern California in Computer Engineering in 1990 and earned his Bachelor of Science in Business Administration in 1993 from Pepperdine University, California, United States. In March 2012, he completed the Executive Education Global Leadership and Public Policy for the 21st Century program at the Harvard Kennedy School, United States and on Insights Into Politics and Public Policy in Asia for Global Leaders at the Lee Kuan Yew School of Public Policy, Singapore. In 2013 he completed Executive Education on Impacting Investing at Said Business School, University of Oxford, United Kingdom. In 2014 he completed Executive Education on Leadership and Decision Making in the 21st Century program at the Jackson Institute for Global Affairs, Yale University, United States.



AZIS ARMAND

Director

Age 49, appointed as Director of Indika Energy since February 2007, whilst from March 2008 to May 2013, he held position as Independent Director. Bapak Azis Armand initially joined Indika Energy as Director in 2007 with reference to Deed Number 24 dated 15 February 2007.

He also holds positions as Commissioner of PT Indika Inti Corpindo (since 2016), PT Indika Infrastruktur Investindo (since 2008), PT Indika Indonesia Resources (since 2015) and PT Indika Multi Energi Internasional (since 2015). Director of Kideco (since 2004), PT Indika Multi Energi (since 2016) and PT Indika Energy Infrastructure (since 2016).

Previously he also held position as Commissioner of Petrosea (2009-2013) and President Director of PT Indika Indonesia Resources (2014 to 2015). He has more than 10 years extensive experiences in Corporate Finance and Investment, with previous careers as Rating Manager at PT Pemeringkatan Efek Indonesia (1995-1997) and Associate at JP Morgan Chase (1997-2004).

He earned a degree in Economics from the Faculty of Economics University of Indonesia in 1991 and Master in Urban Planning from the University of Illinois in Urbana-Champaign, United States in 1995.



EDDY JUNAEDY DANU

Independent Director

Age 66, appointed as Independent Director of Indika Energy in 2014 as referred to Deed Number 21 dated 14 May 2014. Bapak Eddy Junaedy Danu initially joined Indika Energy as Director in 2009 with reference to Deed Number 123 dated 28 May 2009.

Bapak Eddy Danu also holds other positions such as President Commissioner of PT Tripatra Engineers & Constructors and PT Tripatra Engineering (Tripatra) (since April 2015), PT Indika Multi Energi Internasional (since May 2014) and PT Indika Infrastruktur Investindo (since May 2014). He also holds as Commissioner of PT Indika Inti Corpindo (since April 2016), PT Cirebon Electric Power (since May 2014), PT Cirebon Energi Prasarana (since August 2016), PT Prasarana Energi Indonesia (from August 2016), PT Prasarana Energi Cirebon (since August 2016) and PT Indika Logistic & Support Services (since April 2016).

He also holds as Chairman of Risk & Investment Committee in Tripatra, member of Risk & Investment Committee in MBSS and member of Human Capital Committee in Petrosea.

Previously he held position as President Commissioner of Petrosea (2014-2015), President Director of Petrosea (2013-2014) dan Vice President Director of CEP (2011-2014).

He had been with Tripatra for more than 35 years, where previously he also held positions such as Commissioner of Tripatra and Executive Director for Marketing and Operational. Has more than 36 years experiences in engineering and project management and has served as Project Engineer and Project Manager for various large-scale oil and gas EPC projects.

He graduated with a degree in Electrical Engineering from Bandung Institute of Technology (ITB) in 1973 and a Master in International Business from Prasetya Mulya Business School in 1998.





MANAGEMENT REPORT





ECONOMY & INDUSTRY OVERVIEW

ECONOMY OVERVIEW

The global economy showed slight improvement in 2016, with the International Monetary Fund (IMF) estimating growth at 3.1% compared with 2.4% for the previous year. Stagnant global trade, political volatility and subdued investment characterized the year. Growth in advanced economies remained slow, with mixed performance in emerging market economies. Overall, global growth improved in the second half of the year with momentum in the fourth quarter.

The Indonesian economy recorded similar growth, with GDP rising to 5.02% up from 4.8% the year before, its lowest growth rate since 2009 according to Statistics Indonesia. The economy continued to be shadowed by uncertain policy climate, still low export demand and lower levels of government spending. However, household consumption remained healthy, with low real inflation, and an improvement in commodity prices was conducive to growth towards the end of the year

COAL AND OIL & GAS INDUSTRY REVIEW

The coal, oil and gas industry had an incredibly volatile year, with prices plunging to new lows at the start of 2016 before rallying to approximately double by year-end. In coal, the Newcastle 6,300 benchmark dropped from US$ 65.3 per tonne in December 2015 to around US$ 40 per tonne at the start of 2016, before rebounding to above US$ 100 per tonne at year end.

Indonesia's benchmark thermal coal price (*Harga Batubara Acuan*, or HBA) reached its lowest point in more than five years at US$ 50.92 per ton in February 2016, then climbed to US$ 101.69 per tonne in December 2016. The major driving factor was a sudden and unexpected easing of Chinese coal import restrictions in the third quarter, combined with tight supply in the market following several years of declining coal prices.

Total Indonesian coal production for 2016 is estimated at 363 million tonnes according to the Indonesian Coal Mining Association (APBI) & Ministry of Energy and Mineral Resources, 12.7% lower than 2015 production of 416 million tonnes. Of this portion, the portion absorbed by the domestic coal market increased from about 21% in 2015 to 31% in 2016. Meanwhile, oil prices jumped from a 13-year low below US$ 27 a barrel in January because of oversupply to above US$ 55 a barrel at year end, as both Russia and OPEC made production cuts, and production from US shale fields decreased.



OPERATIONAL REVIEW

FORGING AHEAD

In 2016, the majority of Indika Energy's businesses continued to be shadowed by the price declines of recent years. Coal producers remained reluctant to increase production in the first half of the year, while the hesitance of oil majors to invest in exploration amidst downward trending prices meant that growth opportunities for service companies engaged in those sectors remained scarce,

Against this backdrop, the Company's coal and oil-related businesses generally experienced lower sales volume and prices, although Kideco nonetheless recorded a profit. Positive contributions were also delivered by Tripatra, the power business and a few smaller subsidiaries, but were insufficient to offset the decline in core businesses, resulting in losses at the holding level.

Revenues therefore decreased by 29.4% to US$ 775.2 million from US$ 1,097.3 million in 2015. Gross profit, however, was fairly stable, increasing by 0.4% to US$ 88.7 million. The Company was able to save US$4.9 million through a cost efficiency initiative, with the full impact of this initiative to be realized in the following year as, a bond repurchase. However, a number of impairments mainly related to non-recoverable tax, and impairment of intangible assets as well as property, plant and equipment at the businesses resulted in a net loss attributable to the owners of the company of US$ 67.6 million.

Indika Energy managed these conditions by rationalizing the organizational structure across the Group and effecting other cost reductions, , preserving cash and tightening capital expenditure, increasing productivity and asset utilization, and looking to generate new business opportunities, especially as the climate for coal and oil-related businesses became more conducive at the end.

- Selling, General and Administrative Expenses was reduced by US$ 4.9 million to US$ 98.8 million at a consolidated level, primarily due to cost optimization measures, such as reducing rental and professional fees and the allocation of MUTU's cost to Costs of Contracts and Goods Sold after it resumed production in 2016.
- Although revenue declined, gross profit remained stable.

These actions successfully increased gross margin from 8.0% in 2015 to 11.4% in 2016, with improved performance expected in 2017 supported by a more conductive business climate and new contracts for 2017, from PT Freeport Indonesia, PT Indoasia Cemerlang, PT Binuang Mitrabersama and others although the extent of the recovery remains to be seen.



ENERGY RESOURCES

The Energy Resources business pillar focuses on the exploration, production and processing of coal. The Company has engaged in coal mining operations since 2004, through a 41.0% acquisition of interest in PT Kideco Jaya Agung (Kideco), which was later increased to 46.0% in 2006. In 2009, PT Santan Batubara (Santan) was added to the energy resources portfolio, through the acquisition of PT Petrosea Tbk. In 2012, Indika Energy acquired the coal assets in PT Mitra Energi Agung (MEA) and PT Multi Tambangjaya Utama (MUTU). In 2014, Indika Energy established Indika Capital Investments Pte. Ltd which sources, supplies and trades coal to various industries.

PT KIDECO JAYA AGUNG

PT Kideco Jaya Agung (Kideco) was established in 1982 and engages in surface open-cut coal mining at its 50,921 hectare concession area in East Kalimantan, Indonesia, where it holds coal mining rights until 2023 under a first-generation Coal Contract of Work (CCoW). As Indonesia's third-largest coal mining company measured by production, Kideco represents the Company's core asset in the energy resource pillar.

Located in Paser Regency, East Kalimantan, Kideco operates six mine concession sites using open pit mining methods in Roto North, Roto South, Roto South G (Biu), Roto Middle, Susubang and Samarangau. Kideco has identified potential additional coal resources at its Samu and Pinang Jatus concession areas, where further exploration work is expected to commence. Kideco produces a range of sub-bituminous coal containing very low levels of sulphur (0.1%) and ash (blended average 2.8%).

In addition, Kideco's coal produces relatively low levels of nitrogen during combustion, making it environmentally friendly for use in coal-fired power plants. Based on its proven track record in meeting contractual coal delivery obligations, Kideco has earned a reputation for being one of the most reliable coal suppliers in Indonesia. Kideco's geographically well-diversified customer base includes long standing relationships with highly-rated power companies in South Korea, Taiwan, Malaysia and Indonesia, with annual installed capacity of up to 55 million tonnes.

Maintaining an effective and well-developed operational infrastructure has provided Kideco with operational efficiency and financial flexibility. At the same time, Kideco minimizes capital expenditures and working capital requirements by outsourcing most of its mining, transportation and barging operations, by working closely with key mining contractors under multi-year contracts. In addition, to secure its cash flows, Kideco has entered into long term supply contracts with high-quality local and regional independent power producers.

Supported by a well-developed infrastructure located in favourable geographical terrain with a well-planned coal mine, Kideco maintained a low stripping ratio of 6.0 in the midst of extremely volatile coal market conditions in 2016, and was able to hold its position as one of the lowest cost coal producers in the world.

Total volume of coal produced declined from 39.0 million tonnes in 2015 to 32.1 million tonnes in 2016, while the average selling price (ASP) per tonne of coal realized by Kideco declined from US$ 42.9 in 2015 to US$ 38.4 in 2016. Actual sales declined from 38.6 million tonnes in 2015 to 32.5 million tonnes in 2016. As a result of lower price and volume, Kideco's sales declined by 24.8% to US$ 1,247.8 million in 2016. However, these declines were offset by a decrease in cash cost excluding royalty from US$29.6 per tonne in 2015 to become US$ 27.9 per tonne in 2016. Consequently, net profit for the year amounted to US$ 88.6 million, 35.8% lower than US$ 138.1 million in 2015.

	OWNERSHIP INTEREST	COAL RESERVES (TONS IN MILLIONS)	COAL RESOURCES (TONS IN MILLIONS)	CONCESSION AREA (HECTARES)
KIDECO	46.0%	422.0[1]	422.0[1]	50,921
SANTAN BATUBARA	34.9%	100.7[2]	754.5[2]	24,930[2]
MEA	60.0%	15.0[3]	79.0[3]	5,000[3]
MUTU	85.0%	40.6[4]	75.2[4]	24,970[4]

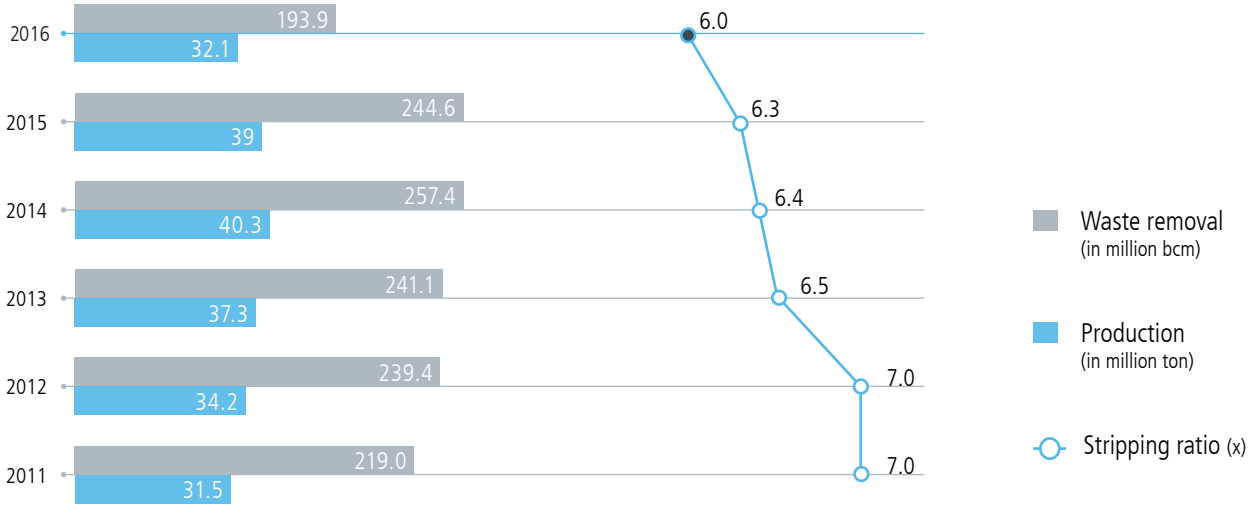
(1) Source: Based on a JORC-compliant report prepared by PT RungePincockMinarco as of 30 June 2015.

(2) Source: Based on a JORC-compliant report prepared by PT RungePincockMinarco as of 1 January 2011 in respect of the Separi block and non-JORC initial exploration reports prepared by Santan Batubara.

(3) Source: Based on management estimates.

(4) Source: Based on management estimates. We have not prepared a JORC-compliant report in relation to the MUTU concession area and you should not place undue reliance on our management estimates. See "Risk Factors — Risks Relating to Our Energy Resources Business — Proved and probable coal reserves are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to estimated proved and probable coal reserves could adversely affect Indika's, Kideco's, MUTU's, MEA's and Santan Batubara's development and mining plans."

OPERATION PERFORMANCE



OPERATIONAL HIGHTLIGHTS

PRODUCTION VOLUME
in million ton

2016 | 32.1
2015 | 39.0

SALES VOLUME
in million ton

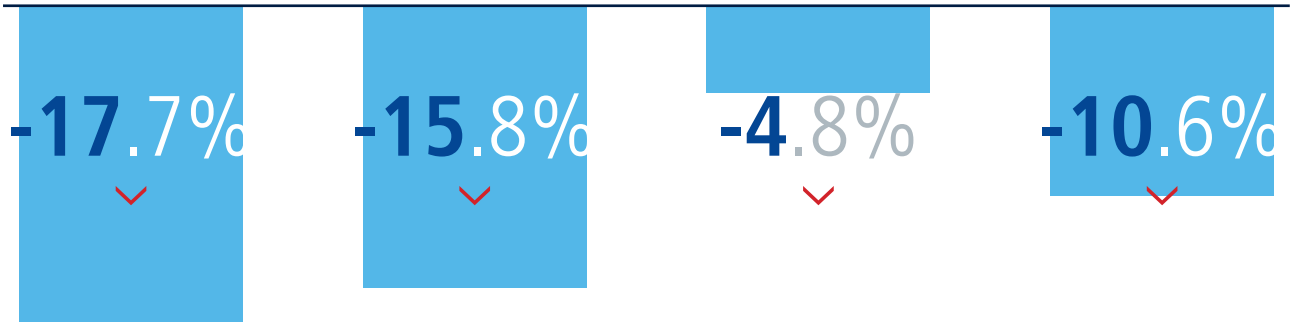
2016 | 32.5
2015 | 38.6

STRIPPING RATIO
(x)

2016 | 6.0
2015 | 6.3

AVERAGE SELLING PRICE
in million US$/ton

2016 | 38.4
2015 | 42.9



PT SANTAN BATUBARA

Established in 1998, PT Santan Batubara (Santan) is a 50/50 joint-venture between Indika Energy's 69.8% owned Petrosea and PT Harum Energy Tbk. that engages in surface open-cut coal mining at its 24,930 hectare concession area in Kutai Kartanegara Regency and Kutai Timur Regency, East Kalimantan.

It holds coal mining rights until 2038 under a third-generation CCoW. Since 2014, following prolonged weakness in coal prices, the management of Santan took the decision to close the Separi block mine and suspend operations in the Uskap block until such time as the market improves.

PT MITRA ENERGI AGUNG

In March 2012, Indika Energy acquired an indirect 60.0% stake in PT Mitra Energi Agung (MEA), a greenfield coal asset located in East Kalimantan with an IUP valid until 2032 for a concession area covering 5,000 hectares. More than 90.0% of the MEA concession has been explored with several low rank coal seams identified. Operations at the mine were suspended in 2014 until such time as the market improves.

PT MULTI TAMBANGJAYA UTAMA

In May 2012, Indika Energy acquired an indirect 85.0% equity interest in PT Multi Tambangjaya Utama (MUTU), a high-rank bituminous thermal and coking coal holding a third-generation CCoW valid until 2039 based in Central Kalimantan, with a concession area of 24,970 hectares. Located approximately 30 km northeast of Ampah city and approximately 250 km north of Banjarmasin, MUTU has developed coal hauling roads with a capacity of 3.0 million tonnes per year, a conveyor jetty crusher with a capacity of 10.0 million tonnes per year, and a barge port with a capacity of 5.0 million tonnes per year.

In 2016, MUTU began production and achieved first commercial shipment in October with 0.1 million tonnes to contribute US$ 8.4 million in revenue for the year.

INDIKA CAPITAL INVESTMENT PTE LTD.

Indika Energy's coal trading business was carried out by Indika Capital Investment Pte Ltd. (ICI) in 2016. The coal trading business leverages the Group's existing network and experience and working together with Indika Energy's owned mines as well as with other major coal producers to deliver reliable supply.

In 2016 revenue from the coal business declined by 17.7% to US$ 208.4 million from US$ 263.4 million on lower volume traded and lower ASP of US$ 29.4 compared with US$ 32.2, with coal sales decreasing from 8.2 million tonnes during 2015 to 7.1 million tonnes.


SAFETY

ENERGY SERVICES

The Energy Services business pillar consists of Tripatra and Petrosea. Tripatra is a provider of engineering, procurement and construction (EPC), operations and maintenance (O&M) and logistics services in this energy sector. Petrosea offers contract mining, engineering and construction (E&C) services, with complete pit-to-port and life-of-mine services.

TRIPATRA

PT Tripatra Engineering and PT Tripatra Engineers & Constructors (Tripatra) has one of the longest service histories among EPC companies in Indonesia since its establishment in 1973. Tripatra provides a complete range of EPC, O&M, engineering, procurement and construction management (EPCM) and logistics services for a range of energy clients with a focus on the oil & gas, downstream and petrochemical, and power generation sectors.

In 2016, Tripatra's revenues declined by 54.3% to US$$ 217.5 million from US$ 475.9 million primarily due to a decrease in revenues from Tripatra's contracts with ExxonMobil Cepu Ltd., JOB Pertamina Medco Tomori Sulawesi and STC Joint Operations as these projects neared completion.

Oil majors have been reluctant in the face of declining prices to invest in new projects, but supported the improvement in prices in the second half of the year, Tripatra successfully secured new contracts. As of 31 December 2016, Tripatra's contracted backlog stood at approximately US$ 811.0 million, compared with US$ 239.6 million as or 31 December 2015.

ASSOCIATE COMPANIES (LOGISTICS SERVICES)

Tripatra has equity interest in the following logistics services associate companies:

- **PT Cotrans Asia (Cotrans)**

  PT Cotrans Asia Indonesia (Cotrans) is an associate company providing coal transportation and transshipment services. Cotrans recorded lower net profit of Rp 153.2 billion in 2016 compared with Rp 214.6 billion in 2015 on lower volume of coal transported during the year.

- **PT Sea Bridge Shipping Indonesia**

  PT Sea Bridge Shipping Indonesia (SBS) is an associate company that provides coal shipping services including tug boats, barges, gearless floating cranes and transshipment services. SBS reported net profit of US$ 8.8 million compared with US$ 5.2 million in 2015, due to receipt of insurance claim of US$ 1.2 million in 2016, and decrease in tax expense of US$ 3.8 million as SBS was charged underpayment of prior periods' income tax in 2015 due to changes in tax rates for shipping companies.

PT PETROSEA TBK.

Petrosea offers a comprehensive array of services to the Indonesian mining sector and is one of only a few Indonesian companies with the ability to deliver a complete pit-to-port andl ife-of-mine mining solution. Petrosea provides open-pit coal and sedimentary rock mining and mine operation services to coal companies in Indonesia across all stages of production. Petrosea provides the following principal services: Contract Mining and Mine Services, Technical Services for Minerals and Infrastructure Development, the Petrosea Offshore Supply Base (which is further discussed in the Energy Infrastructure section) and Engineering and Construction services.

Petrosea's top line performance was stable in 2016, with revenue improving by 1.2% to US$ 209.4 million from US$ 206.8 million in 2015. Weak performance in Contract Mining and Logistics and Oil was offset by improvement in the Engineering and Construction business.

Contract Mining and Mine Services

As of December 31, 2016, Petrosea provided mining services to five Indonesian coal producers. Contract mining revenue declined by 21.9% to US$ 114.3 million from US$ 146.3 million in the previous year, due to a 13.0% decline from 66.0 million BCM to 57.3 million BCM during the year, combined with lower prices. The decline in overburden removal volume was primarily caused by a 33.4% decline in overburden removal from Kideco, which revenue from two new mining contracts in South Kalimantan were unable to offset.

Engineering & Construction

Revenue contribution from Petrosea's Engineering and Construction increased by 162.4 % from US$ 26.7 million to US$70.1 million in 2016 due to several new civil engineering projects including a contract with ConocoPhillips (Grissik) Ltd., a contract with PT Indonesia Bulk Terminal and one with PT Newmont NusaTenggara. In addition, Petrosea enjoyed full-year revenue from number of contracts signed in 2015 including a US$ 158.0 million contract with Freeport in Timika, Papua, as well as a 36-month contract to support ENI's development of the Muara Bakau Block that began in 2015. As of 31 December 2016, Petrosea had a backlog with remaining contract value of US$ 819 million, compared with US$ 634 million in 2015.





ENERGY INFRASTRUCTURE

Indika Energy has four core assets within the Energy Infrastructure business pillar as follows.

PT MITRABAHTERA SEGARA SEJATI TBK.

Incorporated in 1994, MBSS is an integrated one-stop coal transportation and logistics company, which provides coal handling management services from port, barging, river and sea based transportation to offshore vessels using its floating crane systems. Leveraging its in-depth industry knowledge accumulated over 20 years of operations, MBSS has built a customer portfolio which includes long-term contracts with top tier coal producers such as PT Kideco Jaya Agung, PT Adaro Indonesia, PT Berau Coal and PT Kaltim Prima Coal as well as coal end users such as PT Indocement Tunggal Prakarsa Tbk.

As of 31 December 2016, MBSS operated a large and varied fleet comprised of 75 barges, 86 tug boats, 6 floating cranes, and 1 support vessel. The entire fleet fulfills the Indonesian Classification Bureau (BKI) requirements and part of the fleet also fulfills international classification association requirements namely Registro Italiano Navale (RINA), Bureau Veritas (BV), Nippon Kaiji Kyokai (NK), ABS (American Bureau of Shipping) and Germanischer Lloyd (GL) and can therefore serve clients regionally.

MBSS was significantly impacted by customers' lower coal production and ASP, which was passed on to MBSS as the service provider. In addition, competition continued to be intense due to high available capacity in the market. Moreover, a portion of the fleet entered their 5-year docking cycle for maintenance, reducing available capacity. Consequently, revenue declined by 26.7% to US$ 65.8 million in 2016 due to lower volume transported and margin pressure.

The barging segment volume decreased from 22.2 million tonnes in 2015 to 22.1 million tonnes in 2016, while the floating crane volume decreased from 16.0 million tonnes to 12.8 million tonnes over the same period. Relative to national coal production estimates of 416 million tonnes in 2015 and 363 million tonnes in 2016, MBSS in fact increased its market share from 9.2% in 2015 to 9.6%. However, due primarily to lower ASP, barging revenues decreased by 17.0% to US$ 47.7 million, while floating crane revenues decreased by 44.1% to US$ 18.1 million due to lower ASP and the loss of a floating crane caused by exercise of a purchase option by a client. Although costs were contained, several non-recurring transactions also took place amounting to US$ 11.9 million, resulting in a net loss for the year of US$ 29.9 million.

MBSS CONTRACT VALUE IN 2016

	Remaining Contract as of 31 December 2016 (in million US$)
Barging	27.1
Floating Crane	49.4
Total	**76.5**

PT CIREBON ELECTRIC POWER

PT Cirebon Electric Power (CEP) is a 660 MW coal-fired power generation plant (CFPP) located in Cirebon, West Java. CEP was established in April 2007 by Indika Energy through its wholly-owned subsidiaries Indika Power Investments Pte. Ltd. and PT Indika Infrastruktur Investindo, together with Marubeni Corporation, Samtan Co. Ltd. and Komipo Global Pte. All of its output is sold to the State Electric Company (PLN) under a 30-year Power Purchase Agreement (PPA) starting from the date of commencement of operation of the plant on 27 July 2012. As of December 31, 2015, Indika Energy owned a 20.0% indirect equity interest in CEP.

The 660 MW CFPP uses supercritical technology for high efficiency, consuming less coal and producing fewer emissions. The power plant continues to operate above expectations in terms of availability factor and performance, including completely recycling remnant ash, and gas emission records that are significantly below the government and industry environmental limits. Since the commencement of operations, the CEP net dependency capacity (NDC) tests have consistently met PPA requirements.

The use of environmentally friendly technology is one of the advantages Cirebon power plant, which subsequently won the "Asia Coal Power Project of the Year" award at the Asian Power Awards 2016 in Seoul, Korea.

CEP has been in stable operation for four years, with average availability factor meeting its PPA target of 80.0%. CEP has entered into agreements with each of Kideco and Adaro for the supply of coal to the Cirebon power generation plant project. In 2014, 2015 and 2016, Kideco provided 64.9%, 65.0% and 63.1% of the coal CEP consumed, respectively.

PT CIREBON ENERGI PRASARANA

In October 2015, PT Cirebon Energi Prasarana (CEPR) signed a 25-year PPA with PLN a 1x1000MW coal powered expansion of the existing CEP power plant in Cirebon. The project is scheduled to begin commercial operations in 2020. Indika Energy indirectly owns 6.25% of the CEP expansion project with remainder held by Marubeni Corporation (Marubeni), Samtan Co. Ltd. (Samtan), Korea Midland Power Co. Ltd. (Komipo), PT Imeco Multi Prasarana and Chubu Electric Power Co. Ltd. (Chubu).

PETROSEA LOGISTICS & SUPPORT SERVICES (PLSS)

Petrosea (PLSS) Logistics & Support Services (PLSS) is the third business line of PT Petrosea. PLSS offers shorebase management through a subsidiary, logistic & freight forwarding services, waste disposal services, open storage facilities, a cargo marshaling area, an incinerator, a chemical drum containment area, tubular inspection shops and emergency response training facilities. Currently, PLSS manages a Bonded Logistic Center facility in Tanjung Batu, Balikpapan, East Kalimantan. There will be further PLB developments in Marunda, North Jakarta..

- **PT POSB Infrastructure Kalimantan**

  PT POSB Infrastructure Kalimantan operates the Petrosea Offshore Supply Base (POSB), a shorebase management facility providing offshore supply logistics services for international and national oil and gas exploration and extraction companies operating in the Makassar Straits.

  In 2016 revenues from POSB declined by 31.2% to US$ 22.7 million from US$ 32.9 million in 2015 due to lower activities in the oil and gas sector. POSB has extended and renewed contracts to support revenue generation going forward.

- **PT POSB Reksabumi Indonesia**

  On June 14, 2016, Petrosea through its subsidiary PT POSB Infrastructure Kalimantan established PT POSB Reksabumi Indonesia which engages in Hazardous Toxic Material (B3) waste management and Non Hazardous Toxic Material (Non-B3) waste management. Petrosea recorded 4,995 stake or 99% ownership and the balance of 5 shares or 1% owned by PT POSB Infrastructure Kalimantan.

PT KUALA PELABUHAN INDONESIA

PT Kuala Pelabuhan Indonesia (KPI) is a subsidiary of PT Indika Logistic & Support Services. An operator of marine fleets and ports, the company provides ship docking integrated operations, management, logistics, maintenance and portside services. In 2016, KPI recorded an increase in revenue of 6.2% from US$ 61.9 million in 2015 to US$ 65.8 million in 2016.





FINANCIAL REVIEW

2016 FINANCIAL HIGHLIGHTS:

- Revenue amounted to US$ 775.2 million, a 29.4% decrease over US$ 1,097.3 million reported in 2015.
- Gross profit amounted to US$ 88.7 million, a 0.4% increase over US$ 88.3 million reported in 2015.
- Equity in profit of associates & jointly controlled entities declined by US$ 13.2 million from US$ 72.6 million in 2015 to US$ 59.5 million in 2016, as a result mainly of lower income derived from Kideco due to the global decline in coal prices. Lower average selling price per tonne [ASP] realized by Kideco (2016 US$ 38.4 vs. 2015 US$ 42.9), with sales volume down to 32.5 million MT in 2016.
- Loss attributable to the Owners of the Company of US$ 67.6 million, a 51.6% increase over US$ 44.6 million loss reported in 2015.

REVENUE

The Company's revenue decreased by 29.4% from US$ 1,097.3 million for 2015 to US$ 775.2 million for 2016 primarily due to:

- A 54.3% decrease in Tripatra's revenues from US$ 475.9 million in 2015 to US$ 217.5 million in 2016 primarily due to a decrease in revenues from Tripatra's contracts with ExxonMobil Cepu Ltd., JOB Pertamina Medco Tomori Sulawesi and STC Joint Operations as these projects neared completion;
- A 17.7% decrease in revenues from the coal trading business due to a decrease in trading volumes from 8.2 million tons in 2015 to 7.1 million tons in 2016 and a decrease in average selling price per ton of US$ 32.0 for 2015 to US$ 29.4 for 2016; and
- A 27.2% decrease in MBSS' revenues, primarily due to a US$ 14.2 million decrease in revenues from floating cranes as a result of a decrease in the volume of coal transported from 16.0 million tons in 2015 to 12.8 million tons in 2016 and a decrease in coal prices, which resulted in a decrease in transport prices.

COST OF CONTRACTS AND GOODS SOLD

Cost of contracts and goods sold decreased by 32.0% from US$ 1,009.0 million for 2015 to US$ 686.5 million for 2016 primarily due to a decrease in sub-contractors, installation, supplies, communications and other direct costs, in line with the decrease in revenues.

GROSS PROFIT

As result of the foregoing factors, gross profit was US$ 88.3 million for 2015 and US$ 88.7 million for 2016.

EQUITY IN NET PROFIT OF ASSOCIATES & JOINTLY CONTROLLED ENTITIES

Equity in net profit of associates & jointly controlled entities declined by 18.1% from US$ 72.6 million in 2015 to US$ 59.5 million in 2016, primarily due to a decrease in Kideco's net income.

This decrease was partially offset by a 155.0% increase in equity in net profit from PT Cirebon Electric Power (CEP) increased by 155.0% in our equity in net profit from CEP, primarily due to deferred tax benefits from timing differences in the recognition of depreciation expense resulting from a revaluation of assets.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, General and Administrative expenses (G&A) decreased by US$ 4.9 million (-4.8% YoY) from US$ 103.8 million for 2015 to US$ 98.8 million in 2016 due to cost optimization measures such as reducing rental and professional fees and the allocation of MUTU's costs to costs of contracts and goods sold after it resumed production in 2016.

FINANCE COST

Finance costs decreased by 15.4% from US$ 71.5 million for 2015 to US$ 60.4 million for 2016 due to a decrease in the Company's indebtedness during the year, mainly after the repurchase of US$ 128.6 million in principal amount 2018 Senior Notes in December 2015 and repayment of certain bank loans, long-term loans and lease liabilities.

IMPAIRMENT OF ASSETS

Impairment of assets decreased by 47.0% from US$ 57.2 million

for 2015 to US$ 30.3 million for 2016, and consisted primarily of impairment on intangible assets related to the acquisition of MBSS, due to a lower expected value of long-term contracts as compared to the valuation at the time of acquisition, as well as certain of MBSS' vessels.

AMORTIZATION OF INTANGIBLE ASSETS

Our amortization of intangible assets decreased by 26.2% from US$ 35.2 million for 2015 as compared to US$ 26.0 million for 2016 primarily because MEA was fully impaired in 2015.

OTHERS - NET

In 2016, Others – net decreased from a US$ 24.6 million gain for 2015 to a US$41.7 million loss for 2016 primarily due to:

(1) A gain on partial settlement of bonds payable of US$ 46.8 million relating to our offer to repurchase for cash of US$ 128.6 million in principal amount of the 2018 Notes in 2015

(2) A write-off for unrecoverable tax representing US$ 26.8 million in 2016

(3) Loss on sale of property, plant and equipment representing US$ 8.8 million.

LOSS BEFORE TAX

As a result of the foregoing factors, loss before tax increased by 30.9% from US$ 87.9 million for 2015 to US$ 115.0 million for 2016.

LOSS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Loss Attributable to the Owners of the Company increased by 51.6% from US$ 44.6 million in 2015 to US$ 67.6 million in 2016.

CURRENT ASSETS

Current assets decreased by 19.3% to US$ 667.4 million from US$ 827.3 million in 2015 mainly due to decrease in 1) Cash and cash equivalents and Other financial assets by US$ 34.7 million; 2) Trade accounts receivable by US$ 56.7 million; 3) Estimated earnings in excess of billings on contracts by US$ 35.7 million in Tripatra and 4) Prepaid taxes by US$ 31.9 million, mainly due to tax refund and write-off of non-recoverable prepaid taxes.

Movement of Cash and cash equivalents and Other financial assets were primarily 1) funds inflow from operations of US$ 40.0 million; 2) cash dividends from associated companies of US$ 84.7 million; 3) refund of claim for tax refund of US$ 49.7 million; 4) repayment of other accounts receivable of US$ 13.1 million from related parties; and 5) proceeds from sale of assets, including TRIS' office unit. The cash was primarily used to finance 1) settlement of debt of US$ 179.8 million-net; 2) payment of finance cost of US$ 51.6 million; and 3) acquisitions of property and equipment of US$ 21.9 million (mainly by Petrosea of US$ 12.7 million and MBSS of US$ 6.2 million).

NON-CURRENT ASSETS HELD FOR SALE

Non-current Asset Held for Sale decreased 95.8% from US$ 20.2 million in 2015, due to the finalization of sale and purchase transaction of TRIS' office unit in Singapore in May 2016.

As at December 31, 2015, the value of this office unit amounted to US$ 20.1 million, measured at fair value, less costs to sell. Loss from the transaction amounted to US$ 1.2 million, charged to 2015 consolidated profit or loss.

CLAIM FOR TAX REFUND

Claim for Tax Refund decreased significantly by 48.0% to US$ 12.0 million in 2016, due to write-off of non-recoverable prepaid taxes.

INVESTMENTS IN ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Investments in associates and jointly controlled entities decreased by US$ 17.1 million to US$ 260.4 million in 2016, because dividend received from such entities in 2016 were higher than the equity in net profit absorbed during the same year.

PROPERTY, PLANT AND EQUIPMENT [PPE]

The Company's PPE decreased by US$ 78.3 million to US$ 518.1 million in 2016 mainly due to depreciation expense charged in 2016 of US$ 82.2 million.

Setting-off with the above items, there were additional PPE of US$ 25.6 million, mainly done by Petrosea and MBSS.

INTANGIBLE ASSETS

The Company's Intangible Assets decreased 23.3% to US$ 167.8 million from US$ 218.9 million in 2015, due to amortization expenses charged in 2016 of US$ 26.0 million and impairment on intangible assets through the acquisition of MBSS of US$ 23.4 million.

CURRENT LIABILITIES

Current liabilities decreased by 38.1% to US$ 313.0 million from US$ 505.6 million in 2015, mainly due to repayment of bank loans by the Company in 2016 of US$ 128.1 million and decrease in accrued expenses for projects in Tripatra.

NON-CURRENT LIABILITIES

Non-current liabilities decreased by 5.5% to US$ 768.2 million from US$ 813.3 million in 2015 due to decrease in 1) long-term bank loans by US$ 34.1 million, following the settlement of long-term debt by MBSS and Tripatra and 2) deferred tax liabilities down by US$ 16.4 million on amortization and impairment of intangible assets.

EQUITY

Equity decreased by 10.9% to US$ 741.1 million from US$ 831.5 million in 2015 due to net loss for the year.





Business Prospects & Key Risk Factors

ENERGY RESOURCES COAL PROSPECTS

Globally, seaborne demand for thermal seaborne coal is expected to grow due to rising energy demand and cost competitiveness, with seaborne imports forecast by Wood Mackenzie to increase from an estimated 928 Mt in 2016 to 1,005 Mt in 2027 at a CAGR of around 0.7% per annum. Much of this growth will be in developing areas of the Pacific Basin due to strong regional economic growth and subsequently large power demand growth. Indonesia remains geographically advantaged to serve Indian and Southeast Asian demand.

Short-term growth in Indonesian exports is therefore supported by their low-cost structure on both a FOB and delivered basis. In the longer term, Indonesian domestic demand for thermal coal will be driven primarily by the power generation sector, which comprises around 88% of the domestic market demand. As new power plants are constructed, Wood Mackenzie forecasts robust Indonesian domestic coal demand growth of 6.0% CAGR between 2016 and 2027.

The policy support for this increase in power generation capacity is the government's "35 GW Power Program" to develop 35,000 MW of new power generation capacity over the next five years, of which 50 percent are expected to be coal fueled, as coal is an affordable and widely available energy source. Future prospects for coal in Indonesia are therefore promising.

ENERGY SERVICES PROSPECTS

The hydrocarbon industry in Indonesia has exhibited declining oil production in recent years, despite Indonesia still having substantial unexplored basins predicted to hold approximately 40 billion barrels of crude oil according to the country's upstream oil and gas regulator, SKK Migas. Wood MacKenzie observes that exploration and development activity has been negatively impacted by regulatory and fiscal uncertainty, whereas Indonesia's growing economy is driving higher domestic demand for energy. As such, the government hopes to increase exploration activity, potentially creating opportunities for companies engaged in energy services.

Tripatra is advantageously positioned to capitalize on these opportunities, based on its prior track record and current capabilities. At the same time, the engineering and project management capabilities that Tripatra developed may also be flexibly applied outside the oil and gas industry, for example in the telecommunications industry. Such opportunities therefore present possible growth scenarios for Tripatra beyond its core customer base.

Petrosea, as one of the leading coal mining contractors in Indonesia, is competitively positioned to benefit from the rising demand for coal production in Indonesia. According to Wood Mackenzie, the Indonesian coal mining sector is set to remain stable, especially in the near- to mid-term, with marketable production expected to grow from 363.0 million tons in 2016 to 384.0 million tons by 2024. Petrosea plans to pursue business diversification to increase utilization of equipment and to hedge against coal price volatility, and to diversifying its coal mining project portfolio by providing innovative mining solutions, provides services to mining companies outside the coal industry and expanding its engineering and construction services business, allowing it to diversify its revenue base.

ENERGY INFRASTRUCTURE PROSPECTS

The performance of MBSS is strongly tied to coal as its core business. With coal prices forecasted to rise, MBSS is likely to record improved performance. Following several years of low coal prices, MBSS has focused on maximizing its fleet utilization and possesses a competitive advantage as one of the few Indonesian coal logistics provider to maintain operations during the market downturn. MBSS moreover plans to expand its presence in the domestic market and leverage increasing domestic demand by targeting services to PLN and its subsidiaries. In addition, to diversify its revenue streams and reduce its reliance on coal, MBSS is exploring opportunities in other sectors.

Prospects for Petrosea Offshore Supply Base (POSB) are linked to the possibility of demand from oil & gas clients as discussed in the previous section.

Lastly, CEP's success as a reliable power producer has created the possibility of expansion in the field of power generation to

capture opportunities arising from the government's new 35,000 MW initiative.

RISK FACTORS

Indika Energy's business is subject to various risk factors, including but not limited to factors shown below.

Risks Related To Indonesia

As a company inlocated in Indonesia with all of its assets and operations substantially located in Indonesia, Indika Energy may be adversely affected by future political, economic, legal and social conditions in Indonesia, as well as policies and actions adopted by the government which can affect the results of operations and prospects.

Risk Factors Related to the Energy Sector

ndika Energy as an integrated energy company with core coal assets is vulnerable to certain risks associated with the energy sector, in particular coal.

1. **Regulatory Risk**

   The framework governing Indonesian energy resources is subject to extensive regulation. The new Mining Law regulates that local extraction of coal mined in Indonesia and Indonesian coal producers are restricted from engaging their subsidiaries or affiliates to provide mining services on their own concessions without first obtaining ministerial approval, with a priority towards domestic contractors, labour, products and services. Changes in regulations may affect Indika Energy's business and ability to compete.

2. **Financial Risk**

   Domestic, regional and global economic changes as well as stringent controls on lending and investments caused by illiquid credit markets and general tightening of credit in the financial markets may affect Indika Energy's working capital and borrowing abilities. Indika Energy and its subsidiaries are also exposed to foreign currency risk.

3. **Business Risk**

   Indika Energy's businesses are subject to a number of risks related directly to its businesses.

   - **Coal Market Volatility Risk**

     Over the past decades, coal demand on the world market has spurred the development of new mines and expansion of existing mines, increasing global production capacity. Slower global demand growth for coal in recent years has resulted in an oversupply that has affecting coal prices. As has already been witnessed, the global coal markets are sensitive to changes in coal mining capacity and production output levels, which can adversely affect Indika Energy's business. The coal consumption of emerging markets where coal is a principal fuel is affected by the economy, local environmental and other governmental regulations, technological developments and the price and availability of competing coal and alternative fuel supplies.

     Kideco maintains a focused end-user customer base for a large portion of its total coal sales and depends on the renewal and extension of these supply agreements with its customers to purchase coal on favourable terms. Kideco has significant reserves of bituminous and subbituminous coal which are an important fuel supply for emerging markets like China, India, Africa and Southeast Asia. However, the demand from these markets has declined since 2011, and further decline in demand from these countries may affect dividend payments to Indika Energy. Furthermore, some of the coal reserves of Kideco may be determined as being, or become, unprofitable or uneconomical to develop if there are unfavourable long-term market price fluctuations for coal, or significant increases in operating costs.

   - **Oil & Gas Market Volatility Risk**

     Historically, the markets for coal and oil and gas have been volatile and volatility is likely to continue in the future. Tripatra and Petrosea provide energy services which are primarily dependent on capital spending by large coal, mineral, infrastructure, and oil and gas companies, including national and international companies, all of which may be directly affected by trends in global and regional coal, mineral, oil and gas prices. The award of new contracts to Tripatra and Petrosea depends on successful bidding processes which are subject to financing and other contingencies.

   - **Contractor Management Risk**

     Kideco depends on independent contractors to conduct its mining operations, and any significant failure to deliver their obligations will have a negative effect on dividend payments to Indika. In the same way, if the amount Kideco has to pay for services exceeds the amount estimated in bidding for fixed price work, Kideco will incur losses on the performance of these contracts. These delays and additional costs may be substantial, and Kideco may not be able to recover these costs from its customers or may be contractually required to compensate its customers for these delays.

A significant portion of Tripatra's energy services projects are fixed-price contracts, which can expose the energy services businesses to risks associated with cost overruns, penalties, operating cost inflation and costs associated with fluctuations in commodity prices and foreign exchange rates, changes in pricing fundamentals and cost estimates made between the time of submission of a bid and the time that the bid is accepted by the customer, including labour availability and productivity, as well as favourable supplier and third-party contractor pricing and performance. Petrosea's mining operations are also subject to environmental and other regulations which can incur significant costs or liabilities which can adversely impact the results of operations.

- **Contract Risk**

  MBSS service contracts contain commercial agreements with set price and minimum tonnage requirements that can be terminated following a force majeure event or a default by the customer or MBSS.

- **Safety Risk**

  The higher the complexity of energy projects, the higher the the associated safety risks. Work accidents or damage may occur at any time. Indika Energy Group companies take every measure to ensure safety in order to mitigate the potential for operations to give rise to accidents or damage which could result in material liabilities.

- **Weather Risk**

  Severe weather may affect or disrupt operations in the field, including coal mining at Kideco, contract mining at Petrosea and fleet movements at MBSS, resulting in lower productivity and lower revenues.

4. Environmental Risk

Although Indika Energy Group companies take every measure to mitigate environmental risks, operations of Indika Energy Group companies have the potential to substantially impact the environment or cause exposure to hazardous substances, which could result in material liabilities. Growing environmental compliance costs, if materially increased by new issuance laws and regulations, as well as the ongoing mine reclamation and rehabilitation obligations can also adversely affect all mining businesses.

5. Labor & Community Risk

The management strives to nurture good relationships with employees in the field, realizing that a shortage of skilled labor or labor disputes may pose a risk in achieving high levels of productivity at competitive costs. Similarly intensive consultation with local communities is carried out to create goodwill and diminish the risk of social conflict.

6. Other Risks

Indika Energy's acquisition strategy to expand operations by complementing existing businesses depends on the successful integration of acquired companies, businesses and properties, and the creation of synergies, further growth opportunities and other benefits from such acquisitions. Difficulties in integration and project delays have a material adverse effect on the Company's liquidity.

Information and Communications Technology



Indika Energy's Information and Communication Technology (ICT) division is focused on improving business information processes for decision-making as well as increasing efficiency. Where possible, technology is harnessed and applied across the value chain to produce synergies in applications and infrastructure, and geared towards improving operational performance and control.

ICT FRAMEWORK

The ICT framework is depicted clearly by the "ICT House" illustration. The foundation represents ICT infrastructure, which facilitates a standardised and secure infrastructure environment for the Company's overall business applications. The three pillars reflect application systems specific to each business unit, while the roof component represents a corporate-wide initiative of portals and dashboards comprising the Enterprise Resources Planning (ERP) and Human Resources Management System (HRMS).

OVERSIGHT

The ICT Steering Committee provides high level direction, leadership and strategy for the ICT departments, and oversees the efficiency and effectiveness of ICT as a Shared Services Organisation (SSO) as well as policy compliance related to the Company's goals and objectives. As such, the ICT Steering Committee is in charge of setting ICT policies, priorities, and project investment, as well as execution of plans in accordance with Indika Energy's business needs and requirements.

SERVICE LEVEL AGREEMENTS (SLA) & USER SATISFACTION

As an internal service provider, ICT provides a range of services which includes analysis, design, development, operation, support and maintenance for the Group's Information, Communication and Technology requirements in accordance with agreed upon Service Level Agreements (SLAs). These SLAs were established as a mechanism to ensure service quality and benchmarking with industry standards, and to ensure that ICT provides an enabling role as a Shared Services Organisation (SSO) that supports the Company and its business units. These Service Level Agreements (SLA) cover five Service Portfolios consisting of:

- Data Center
- Network and Communications
- Application Development
- Application Support and
- End User Management.

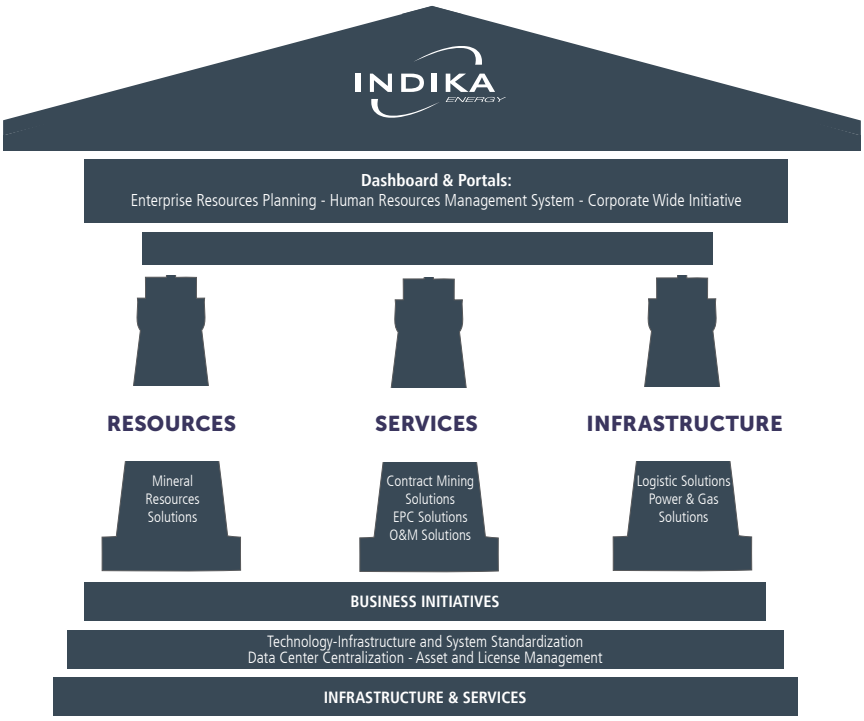
To monitor the progress of various ICT projects and to ensure that Service Levels are being met, ICT provides a monthly report to each business unit. This helps ICT to identify and understand users' needs, and develop solutions that can be implemented for tangible results. In addition, a Customer Satisfaction Survey is held by ICT yearly.

ACTIVITIES IN 2016

In 2016, the ICT Team undertook the following activities:

- The ICT team continued to focus on the roof component of the ICT House, developing management dashboards that report on various aspects within the Group wide ERP system implementation running on SAP. The system is called INSPIRE (Integrated Strategic Platform for Infrastructure, Resources and Energy Services). INSPIRE aims to improve efficiency and decision-making capabilities across the Group through a more integrated and robust ERP system that covers finance and accounting, procurement, project management, asset management, consolidation and management reporting.
- The INSPIRE team has now moved into the next phase in the ERP life cycle i.e.: to roll out the SAP system to more business units and to keep increasing the usage of the information from the ERP system for-decision making, in order to optimize business processes and achieve operational excellence.





- The ICT team continued to install, develop, maintain and support its infrastructure covering the Data Center facility, network/ data communication systems as well as system software, and hardware. The infrastructure environment at the Data Center was built using virtualisation technology that enables usage of shared computing resources based on demand. As an example, the ERP system runs on this facility, enabling seamless handling of increasing transaction volumes as required.
- To improve connectivity between offices of the Company and its business units including remote site offices, ICT uses bandwidth management tools to ensure optimum usage based on service categories.
- The ICT team maintained and enhanced the Engineering Document Management System, Material Tracking System, Operations Database (OpsDB) and others critical applications essential to the smooth running of operations.
- To safeguard Company information, ICT has established encryption technology, ensuring the data or information disseminated can only be readable by those for whom it is intended.



IMPLEMENTATION OF GOOD CORPORATE GOVERNANCE

The Company as a listed entity on the Indonesia Stock Exchange (IDX) is committed to consistently and continuously implementing and improving good corporate governance, in order to support the long term continuity of the business. 2016 continued to be a challenging for companies engaged in the energy sector, especially in the mining sector. The Company was required to manage these challenges while maintaining healthy business activities, implementing risk management, and complying with prevailing laws and regulations and the principles of good corporate governance.

In doing so, the Board of Directors and Board of Commissioners ensure that the strategic and material decisions taken shall always take into consideration and ensures the application of the principles of transparency, accountability, responsibility, independence and fairness for the shareholders in carrying out the Company's activities ethically and sustainably, in accordance with the values and Code of Business Conduct of the Company, while taking into consideration the interests of other stakeholders.

The Company makes serious, tangible and sustained efforts to comply with prevailing rules and legislation in Indonesia, including those established by the Financial Services Authority (OJK), the IDX, other governmental authorities, specifically related to our business, and corporate governance.

Throughout 2016, as part ofefficiency measures, the Company carried out a reorganization by streamlining the existing organization structure, while continuing to ensure compliance with prevailing laws and regulations in every aspect of the Company's operations, avoid conflicts of interest, provide clear internal reporting and provide clarity on the role of the organs of the Company, as well as ensuring the proper implementation of social responsibility, which is part of Company's commitment to implementing good corporate governance.

The implementation of corporate governance in the Company is reflected in the legitimacy and clear delineation of the organs of the Company such as the Board of Commissioners, Board of Directors and other units at the management level, as well as the clear division of tasks and responsibilities, and the independence of the committees accountable to the Board of Commissioners. Subsequent to the 2016 EGMS, the good corporate governance function is conducted by the Audit Committee. Since then, the Company has three committees, such as the Audit & Corporate Governance Committee, Human Capital Committee and the Risk and Investment Committee.

I. PRINCIPLES

Transparency

To maintain objectivity in conducting its business, the Company must provide all the necessary material and relevant information to the shareholders and stakeholders by facilitating easy access of accurate and timely information, in a meaningful and easily comprehensible manner.

This is not limited to information as required by prevailing laws and regulatory bodies, but includes all necessary information required by the shareholders to make informed decisions.

Information which is deemed by prevailing laws and regulations to be proprietary and confidential shall not be disclosed, in accordance with the designated position of the person and the privileges assigned thereto.

Accountability

The Company is managed properly through quantifiable methods in line with the interests of the Company with due respect to the interests of the shareholders and stakeholders. The Company strives to be accountable for its performance in a transparent and fair manner, in order to achieve and maintain improved performance.

Responsibility

In its activities, the Company always adheres to the principles of prudence and ensures compliance with prevailing laws and regulations, Articles of Association, and prevailing corporate practices, as well fulfilling its corporate social responsibility towards the community and environment at large in order to maintain the long term sustainability of its business.

Independency

The Company is managed independently in order to avoid domination and intervention by certain parties.

The Company organs, namely the General Meeting of Shareholders (GMS), Board of Commissioners and Board of Directors are permitted to perform their functions and duties in accordance with the Articles of Association and prevailing laws and regulations, free from domination and conflicts of interest or the intervention and influence of third parties, thus ultimately enabling objective and accurate decision-making.

Fairness and Equality

The Company is committed to prioritising the interests of the shareholders and other stakeholders based on the principles of fairness and equality.

II. GENERAL MEETING OF SHAREHOLDERS (GMS)

The General Meeting of Shareholders has special authority that the Board of Commissioners and Board of Directors do not possess. In holding the GMS, the Company does its utmost to comply with prevailing laws and regulations.

The GMS is held fairly and transparently with consideration of the rights of shareholders as stipulated in OJK Regulation (POJK) No.32/POJK.04/2014 on the Planning and Organization of the GMS of a Public Company and good corporate governance practices.

In 2016, the Company conducted 1 (one) Annual GMS (AGMS) and 1 (one) Extraordinary GMS (EGMS) at which all members of the Board of Directors and Board of Commissioners were present. The following were the implementation stages of the AGMS and EGMS in 2016:

1.	Submission of EGMS and AGMS agenda	15 March 2016 – the Company submitted the agenda of the EGMS and AGMS to the OJK and IDX.
2.	Announcement of the EGMS and AGMS	22 March 2016 – Announcement of EGMS and AGMS in 1 (one) daily newspaper with national circulation namely Investor Daily and uploaded it to the OJK (SPE OJK) and IDX (IDXnet) reporting websites as well as www.indikaenergy.co.id (Company website).
3.	Submission of EGMS and AGMS Announcement	3 March 2016 – Submission to OJK of the Announcement of the EGMS and AGMS Agendas in national daily newspaper Investor Daily on 22 March 2016.
4.	Latest Registration Date of Shareholders	5 April 2016 – Deadline of 16.00 West Indonesia Time for the shareholders who are registered on the Shareholder Registrar to be entitled to attend the EGMS and AGMS.
5.	Publication of the EGMS and AGMS Invitation	6 April 2016 – Announcement to the Shareholders of the Company through: 1. National daily newspaper Investor Daily 2. IDXnet; and 3. The Company website
6.	Proof of advertisement for the EGMS and AGMS Invitation publication	6 April 2016 - OJK informed of the Proof of Publication of Invitation to the EGMS and AGMS in national daily newspaper Investor Daily on 6 April 2016.
7.	EGMS and AGMS	28 April 2016 The EGMS was held between 10.25- 10.45 WIB The AGMS was held between 10.50-12.18 WIB
8.	Announcement of Brief Minutes of EGMS and AGMS	2 May 2016 - Announcement of the EGMS and AGMS Summary through national daily newspaper Investor Daily.
9.	Proof of advertisement for the EGMS and AGMS summary minutes announcement	3 May 2016 - OJK informed of the Proof of Announcement of the EGMS and AGMS Summary in national daily newspaper Investor Daily on 2 May 2016.
10.	Submission of Minutes Meeting of the EGMS and AGMS Result	27 May 2016 – Submission of the Notarial Deed of the EGMS and AGMS Minutes Meeting to OJK.

Implementation of the Extraordinary and Annual GMS

RUPS Luar Biasa Perusahaan pada tanggal 28 April 2016 The EGMS of the Company on 28 April 2016 was held in order to approve an amendment to the Articles of Association of the Company among others to comply with POJK No. 32/ POJK.04/2015 regarding Increase of Company Capital With Preemptive Rights (POJK 32 of 2015) in relation to the issuance of the unissued shares, which shall be in compliance with POJK 32 of 2015, and in relation to the shares payment in the forms other than cash payment. Further, in line with the Company's needs to ensure that the dynamic and conducive operational activities continues in good standing, the EGMS also approved the amendment of the minimum members of the Board of Directors and/or Board of Commissioners, as well as their duties and authorities. The EGMS was attended by shareholders or their authorized representatives with valid voting rights or 77.306% of the total shares issued by the Company. The EGMS approved the amendment of the Articles of Association Article 4, Article 14, Article 15 and Article 17.

Subsequently, at the same place and date, namely 28 April 2016, the Company held its AGMS in Jakarta in accordance with the provisions of Articles of Association of the Company as well as the laws and regulations in force. The AGMS was attended by shareholders or their authorized representatives with valid voting rights or 72.408% of total shares issued by the Company. Both the EGMS and AGMS were attended by the entire Board of Directors and Board of Commissioners.

The following matters were approved in the AGMS, including:

1. To acknowledge the Annual Report, Accountability Report of the Board of Directors and Supervisory Report of the Board of Commissioners relating to the management of the Company and matters related to finance for the fiscal year ended December 31, 2015.
2. To approve the Company's Financial Statements, including the Balance Sheet and Income Statement for the year ended 31 December 2015, thus giving full release (acquit et de charge) to the Board of Directors for all acts of management and the Board of Commissioners on the supervisory duties of the Board of Commissionesr in 2015, insofar as all the actions are reflected in the Financial Statements and the Annual Report for the financial year 2015.
3. To approve the granting of authority to the Board of Commissioners to appoint a Public Accountant to examine the books of the Company for the year ended 31 December 2016, and gave power and authority to the Board of Directors of the Company to establish remuneration and other conditions related to the appointment of a Public Accountant.
4. Approved the appointment and stipulated the composition of the Board of Commissioners and Boarod of Directors of the Company as follows:

   Board of Commissioners

   1. WishWishnu Wardhana as President Commissioner;
   2. Agus Lasmono sebagai Vice President Commissioner;
   3. Richard Bruce Ness as Commissioner;
   4. M. Chatib Basri as Independent Commissioner; and
   5. Boyke W. Mukiyat sebagai Independent Commissioner.

   Board of Directors

   1. M. Arsjad Rasjid P. M. as Vice President Director;
   2. Azis Armand as Director; and
   3. Eddy Junaedy Danu as Independent Director.

Respectively for a term of service until the close of the AGMS (namely from 28 April 2016) until the close of the Company's AGMS to be held in 2017, except for Boyke W. Mukiyat as an Independent Commissioner of the Company whose term of service ends at the close of the AGMS in 2018.

The decisions that have been approved in the EGMS and AGMS have been implemented by the Company. The minutes of the GMS were uploaded on the Company's website immediately after the AGMS and EGMS were held.

Mechanism for Polling and Counting of Votes

The EGMS and AGMS held in 2016 were led by the President Commissioner as required by the Articles of Association of the Company. The Chairman of the GMS must first read out the rules of conduct for the GMS at the time that the GMS begins, which includes among other voting procedures conducted in a closed manner. The GMS Chairman provides opportunities for the shareholders or their proxies to submit questions, comments and/ or suggestions on each agenda. The leader of the Chairman and/ or assigned members of the Board of Directors shall answer or respond to questions and/or the notes of the shareholders present. After all questions and/or notes of the shareholders have been addressed, voting is held, and only holders of voting rights and/ or their authorized representatives shall be entitled to cast a vote. Each vote entitles its holder to cast one vote. Shareholders with voting rights present at the meeting who abstain are considered to have cast a vote that is equal to the majority of voting shareholders.

For the purposes of counting the vote, the Company appointed an independent party, namely the Notary Liestiani Wang, S.H., M.Kn. and PT Datindo Entrycom, to count the vote at the AGMS and EGMS held in 2016.

III. THE BOARD OF COMMISSIONERS

The Board of Commissioners is the organ of the Company responsible for supervising the company's policies and management of the Company conducted by the Board of Directors, both with regards to management of the Company and the Company's business, and to advise the Board of Directors' in executing their role. The Board of Commissioners carries out its duties and responsibilities as a board for the interests of the Company.

Board of Commissioners Charter

As an embodiment of the Company's commitment to consistently implementing good corporate governance in order to carry out its mission and achieve its established vision, as well as to meet and comply with prevailing laws and regulations, particularly in the area of capital markets, among others POJK 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of a Public Company (POJK 33), the Company has formulated a Board of Commissioners and Board of Directors Charter that has been approved by the Board of Commissioners and Board of Directors through Circular Decision of the Board of Directors No.062/CSL/DEC.BOD/XII/2015 dated 24 November 2015 and the Circular Decision of the Board of Commissioners No.063/CSL/DEC.BOC/XII/2015 dated 7 December 2015.

Structure and Membership of the Board of Commissioners

Members of the Board of Commissioners are appointed by the GMS for a term of service that ends at the close of the second AGMS after the date of appointment, without prejudice to the right of the GMS to dismiss them at any time. As stipulated in the AGMS dated 28 April 2016, taking into account the resignation of Wishnu Wardhana as President Commissioner on 7 December 2016, the composition of the Board of Commissioners as of 31 December 2016, consists of four members, two of whom are Independent Commissioners, as follows:

President Commissioner*	: -
Vice President Commissioner*	: **Agus Lasmono**
Commissioner	: **Richard Bruce Ness**
Commissioner	: **M. Chatib Basri**
Independent Commissioner	: **Boyke W. Mukiyat**

* The resignation of Mr. Wishnu Wardhana was received and ratified by the EGMS dated 30 January 2017 which at that time also appointed Mr. Agus Lasmono as President Commissioner replacing him.

Duties and Responsibilities of the Board of Commissioners

In carrying out its supervisory duties, the Board of Commissioners holds fast to the principles of good corporate governance and continuously applyies these principles in the Company. In implementing the principles of good corporate governance, the Board ensures that the policies and management of the Board of Directors in accordance with prevailing laws and regulations and the Articles of Association, and have received the necessary approvals from time to time.

The Board of Commissioners shall perform their duties independently and ensure the implementation of good corporate governance. In performing its duties, the Board provides advice and input to the Board not only based on information from the Board of Directors but also, if deemed necessary, the Board may take the necessary measures which require a collective decision as a board or council. The Board of Commissioners shall report to the GMS on execution of their duties in overseeing the implementation of the Company's management.

In carrying out its supervisory duties, among others the Board of Commissioners has the following duties:

1. To supervise the management actions of the Board of Directors on behalf of the interests of the Company, both those related to the Company or the Company's business activities, including tasks that are specifically granted to it in accordance with the decision of a GMS, the decision of the Board of Commissioners and/or applicable laws and regulations;
2. To review, examine and approve the Annual Report prepared by the Board of Directors, and to ensure that the Company's Annual Report contains information on the identity, work, main responsibility and the positions of the members of the Board of Commissioners concerned in other companies (if any), including meetings held by the Board of Commissioners duing the fiscal year (both Board of Commissioners meetings and joint meetings between the Board of Commissioners and Board of Directors), as well as the honorarium, facilities, and/or other benefits received by members of the Board of Commissioners from the Company;
3. To review, examine, advise and consent to proposals as well as to oversee the implementation of the Company's Long Term Plan and the Company's Work Plan and Budget submitted by the Company's Board of Directors;
4. To follow the development of the Company's activities and provide opinions and advice to the Board of Directors, in accordance with the supervisory role, on any issues that are considered important in the management of the Company, including important issues that are expected to significantly impact on the business and the Company's performance, in a timely and relevant manner;
5. To monitor the effectiveness of the good corporate governance practices that are applied in the Company as well as providing advice to the Board in carrying out good corporate governance practices consistently and in accordance with the Company's Corporate Values. The results of the implementation of the assessment and evaluation are reported to the GMS; and
6. To convey to the Board of Directors recommendations, concerns and complaints submitted by stakeholders to the Board of Commissioners, for follow up.

Independence of the Board of Commissioners

The composition of the Board of Commissioners has fulfilled capital market laws and regulations, with six members of the Board of Commissioners at the moment, of which two are Independent Commissioners namely Mr. M. Chatib Basri and Mr.

Boyke W. Mukiyat. This is to maintain the independence of the supervisory functions of the Board of Commissioners and ensure the implementation of checks and balances mechanisms. In performing its duties, the Board of Commissioners refrains from entering the executive realm, but continues to firmly carry out the supervisory function.

The independence of the Board of Commissioners has fulfilled the conditions required by capital market laws and regulations as well as the Board of Commissioners and the Board of Directors Charter, among others:

1. Not work or have authority and responsibility for planning, directing, controlling, or supervise the activities of the Company within the last 6 (six) months;
2. Not owning stocks, either directly or indirectly, in the Company;
3. Not having an affiliated relationship with the Company, members of the Board of Commissioners, members of the Board of Directors or the major shareholders of the Company; and
4. Not having a business relationship that is directly or indirectly related to the Company's business activities.

Concurrent Appointments of the Board of Commissioners

Members of the Board of Commissioners of the Company have complied with restrictions on concurrent appointments in accordance with prevailing laws and regulations and the Board of Commissioners and Board of Directors Charter. The details of concurrent appointments currently held by members of the Board of Commissioners and Board of Directors are as follows.

1. **Agus Lasmono**

   Does not have any concurrent appointments in publicly listed companies or other public companies.

2. **Richard Bruce Ness**

   Besides serving a Commissioner of the Company, he also serves as President Commissioner of PT Petrosea Tbk. and Independent Commissioner of the Merdeka Copper Gold Tbk.

3. **M. Chatib Basri**

   In addition serving as an Independent Commissioner of the Company, he also serves as a Commissioner of PT XL Axiata Tbk. and an Independent Commissioner of PT Astra International Tbk.

4. **Boyke W. Mukiyat**

   Does not have any concurrent appointments in publicly listed companies or other public companies.

Implementation of the Board of Commissioners' Duties

As a form of its responsibility, the Board of Commissioners holds meetings to discuss the problems associated with management, and to evaluate the Company's performance and the audit reports conducted by the Audit & Corporate Governance Committee. Meetings are held to ensure that the objectives and the Company's performance can be achieved and are in line with the Company's targets.

In accordance with prevailing laws and regulations, the Board of Commissioners is obliged to hold a Board of Commissioners Meeting at least once every 2 (two) months. A meeting of the Board of Commissioners may be held outside this pre-determined schedule or at any time when deemed necessary by one or more members of the Board of Commissioners, or at the written request of one or more members of the Board of Commissioners, or upon written request of one or more shareholders who together represent one tenth or more of the total shares with voting rights, or upon a written request from one or more members of the Board Directors mentioning the ugent need for a decision. Unless specifically stipulated in the Articles of Association, the Board of Commissioners Meeting shall be considered valid and entitled to make legally binding decisions that are more than half of the total members of the Board of Commissioners are present or represented at the meeting.

Decisions at Board of Commissioners meetings are made based on consultation and consensus. If no consensus is reached, the decision of the Board Board of Commissioners is taken in accordance with the provisions of the Board of Commissioners meeting quorum as stipulated in the Articles of Association and the Charter of the Board of Commissioners and Board of Directors.

The Board of Commissioners may also take legitimate decisions without convening a Board of Commissioners meeting, provided that all members of the Board of Commissioners has been notified in writing and all the members of the Board of Commissioners approve the proposal submitted in writing as evidenced by signing the agreement. Decisions taken in this way are equally valid as decisions taken lawfully in a Board of Commissioners meeting.

Frequency of Board of Commissioners Meetings and Attendance

The Board of Commissioners held 5 (five) meetings throughout 2016, on the dates and with attendance as shown in the table below:

1. 10 March;
2. 25 April;
3. 28 July;
4. 28 October; and
5. 13 December.

NUMBER OF MEETINGS AND ATTENDANCE OF BOARD OF COMMISSONERS MEETING

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
Wiwoho Basuki Tjokronegoro*	2	2	-	100%
Agus Lasmono	2	2	-	100%
Indracahya Basuki*	2	2	-	100%
Pandri Prabono-Moelyo*	2	2	-	100%
M. Chatib Basri	2	2	-	100%
Dedi Aditya Sumanagara*	2	2	-	100%
AFTER AGMS				
Wishnu Wardhana**	3	2	-	66,6%
Agus Lasmono	3	3	-	100%
Richard Bruce Ness	3	3	-	100%
M. Chatib Basri	3	3	-	100%
Boyke W. Mukiyat	3	3	-	100%

** His term of service ended at the 28 April 2016 AGMS.*

*** Tendered his resignation on 7 Desember 2016.*

Performance Assessment Process of the Board of Comissioners

The assessment of the Board of Comissioners' performance is based on criteria related to the duties and responsibilities of the Board of Commissioners.

Party Conducting the Performance Assessment of the Board of Commissioners

The Board of Commissioners submits a performance report to the GMS.

Procedure for Determination of Remuneration of the Board of Commissioners

The remuneration of members of the Board of Commissioners makes reference to the Company's internal policies, prevailing laws and and regulations, and based on prevailing standards in the same industry, that are approved by the GMS.

Remuneration Structure of the Board of Commissioners

Under the terms of POJK No.34/POJK.04/2014 on the Nomination and Remuneration Committee of Public Company (POJK 34), the structure of the remuneration of the Board of Commissioners may include salaries, honorarium, incentives, and/or allowances that are fixed and/or variable.

Furthermore, the formulation of the structure, policies, and remuneration as mentioned above must take into consideration:

1. Remuneration applicable in similar industries in accordance with the Company's business activities;
2. The duties, responsibilities and authority of the Board of Commissioners linked to the achievement of the goals and performance of the Company;
3. Target performance or the performance of individual members of the Board of Commissioners;
4. The balance between fixed and variable benefits; and
5. The structure, policy and amount of remuneration as evaluated by the Human Capital Committee.

The details of the compensation given to the Board of Commissioners is as follows:

In US$

DESCRIPTION	2016	2015
Short term benefits of the Board of Directors	992,635	1,030,251

Board of Commissioners Training Programs

Capability improvements are considered to be very important for the Board of Commissioners and the Board of Directors so that they always get the most updated information on the latest developments of the Company's primary business.

Throughout 2016, members of the Board of Commissioners participated in a training and competence development program in the form of a "BOC & BOD Induction Indika Energy Group" held on 23 May 2016.

The provisions of the Capability Enhancement Program for the Board of Commissioners and Board of Directors were implemented in order to improve the effectiveness of the Board of Commissioners, the Board of Directors and subsidiaries of the Company.

Information Regarding Independent Commissioners

The Company already has Independent Commissioners in accordance with the requirements of both prevailing laws and regulations as well as the Board of Commissioners and Board of Directors Charter. The Independent Commissioners of the Company have fulfilled the main requirements to be an Independent Commissioner as set forth in the laws and regulations as well as the Board of Commissioners and Board of Directors Charter Charter as follows:

Formal Requirements

1. Not worked or having authority or responsibility for planning, directing, controlling, or supervising the activities of the Company within the last six (6) months;
2. Not owning shares, either directly or indirectly, in the Company;

3. No affiliation with the Company, members of the Board of Commissioners, members of the Board of Directors or the major shareholders of the Company; and
4. No business relationship that is directly or indirectly related to the Company's business activities.

Material Requirements

1. Have a track record of demonstrated success in the managing a Company;
2. Have values that correspond to the values of the Company;
3. Having adequate business knowledge in a sector related to the company's business activities;
4. Understanding management and corporate governance; and
5. Dedicated and can allocate enough time to carry out their duties.

The Independent Commissioners of the Company have also met the provisions related to concurrent appointments as specified in the provisions of prevailing laws and regulations, particularly in the capital market.

IV. COMMITTEES ACCOUNTABLE TO THE BOARD OF COMMISSIONERS

To assist the Board of Commissioners in performing its oversight function, including but not limited to the aspects of the internal control system, the function of the nomination and remuneration for the Board of Directors and Board of Commissioners of the Company, the implementation of risk management practices and the application of the principles of good corporate governance, various Committees have been established under the Board of Commissioners. In accordance with prevailing laws and regulations, the Board of Commissioners shall establish an Audit Committee as a form of internal control system, which subsequent to April 2016, also took on the function of corporate governance supervision thus becoming the Audit & Corporate Governance Committee. Furthermore, the Board of Commissioners is obliged to carry out the functions of the nomination and remuneration, and for this purpose, the Board of Commissioners established the Human Capital Committee. The Board of Commissioners also may establish other committees as deemed necessary by the Board of Commissioners. The Board of Commissioners has formed the Investment and Risk Committee as a form of implementation of risk management.

AUDIT & CORPORATE GOVERNANCE COMMITTEE

The Board of Commissioners establishes and appoints the Audit & Corporate Governance Committee in accordance with prevailing laws and regulations, to be responsible to the Board of Commissioners. The Audit & Corporate Governance Committee has the task of assisting the Board of Commissioners and monitoring functions, primarily related to the internal control system and the external auditors, and review the Company's financial information, the implementation of examinations by the internal auditor and corporate governance. The Audit & Corporate Governance Committee is guided by the Audit Committee Charter and Good Corporate Governance Committee Charter, which can be found on the Company website.

Audit & Corporate Governance Committee Structure, Membership and Profile

In 2016, the Audit & Corporate Governance Committee was chaired by an Independent Commissioner, Boyke Wibowo Mukiyat, and two independent professional members who meet the requirements and extensive experience in finance, namely Maringan Purba Sibarani and Tonyadi Halim.

Based on Bapepam Regulation Number: IX.I.5 on the Guidelines Establishment and Guidelines on Working Implementation Audit Committee. Attached to the Decision of the Chairman of Bapepam Number: Kep-29/PM/2004 dated 24 September 2004, as amended to become the Attachment of Decision of the Chairman of Bapepam-LK No.643/BL/2012 dated 7 December 2012, the term of service for Audit Committee members should be no longer than the term of office of the Board of Commissioners as stipulated in the Articles of Association, and they may only be elected for one subsequent term.

The term of office for the Chairman and members of the Audit & Corporate Governance Committee shall be valid until the close of the AGMS of the Company in 2018.

The profiles of the members of the Audit Committee are as follows:

1. **Chairman: Boyke Wibowo Mukiyat**

   The profile of Boyke Wibowo Mukiyat can be viewed in the Board of Commissioners and Board of Directors Profile section.

2. **Members: Maringan Purba Sibarani**

   Age 74, previously a Director of PT Indofood Sukses Makmur Tbk. for 9 years and Senior Partner Arthur Andersen for 16 years. He graduated from the Faculty of Economics of Universitas Indonesia majoring in Accounting. He was formerly the Head of the Accountancy Department at the Faculty of Economics at Universitas Trisakti, and until the present is a Professional Education Lecturer at the Accountancy Programs at Universitas Trisakti and Universitas Parahyangan.

   He also serves as an Independent Commissioner and Head of the Audit Committee at PT Petrosea Tbk.

3. **Member: Tonyadi Halim**

   Indonesian citizen, 54 years old. Member of the Audit Committee since 2016. He was previously Senior Vice President Tax at PT Indika Energy Tbk since his appointment in 2008.

   He earned a degree in Accounting from the Faculty of Economics of Gadjah Mada University in 1986 and continued his studies at the Extension Program of the Faculty of Economics, University of Indonesia, where he obtained a

degree in Marketing Management in 1988, and further obtained a Magister of Law degree from the Faculty of Law, Gadjah Mada University, in 2010. He is also received the Chartered Accountant (CA) designation from the Indonesian Association of Accountants in 2015.

Independence of the Members of the Audit & Corporate Governance Committee

The Audit & Corporate Governance Committee is responsible for independently reviewing the Company's financial information. In carrying out its functions, the Audit & Corporate Governance Committee independently utilizes their vast experience, whether in finance, accounting or other areas. Additionally, as an extension of the Board of Commissioners and as a liaison between the Board of Directors and the External Auditor and Internal Audit, the Audit & Corporate Governance Committee is obliged to question the basis of decisions taken by the Board of Directors of the Company. As independent professionals who do not hold executive roles in the Company, Audit & Corporate Governance Committee members may express their opinion better, freely and are not restricted by a position in the management of the Company.

Main Responsibilities of the Audit & Corporate Governance Committee

The Audit & Corporate Governance Committee's main responsibility is to make sure that the correct processes take place in order to support the Board of Commissioners in fulfilling its responsibilities in applying the principles of thoroughness, diligence and skill, in particular relating to the following matters:

- Adequate internal control: The Audit & Corporate Committee oversees the effectiveness of the internal control system designed by management. In carrying out these responsibilities, the Audit & Corporate Governance Committee is assisted by Internal Audit of the Company;
- Reliability of financial information of the Company;
- Compliance with regulations: the Audit & Corporate Governance Committee ensures that the Company complies with the prevailing laws and regulations in the field of capital markets, as well as other laws and regulations relating to the operational activities of the Company;
- Reviews the performance of the external auditors: The Audit & Corporate Governance Committee reviews the report of the Company to ensure the reliability of the financial information. In performing its duties, the Audit & Corporate Governance Committee has the authority to review the quarterly financial statements in order to ensure that business results are correctly described along with and significant fluctuations, if any, in accordance with the conditions of the industry and the economy in general;
- Effectiveness of the internal auditor: the Audit & Governance Committee approves the work program of the internal auditors and the internal audit results to ensure that the internal auditor's recommendations of significant internal control issues have been resolved.

Activities of the Audit & Governance Committee

The following activities were carried out in 2016:

1. Meeting with Public Accountant Office Osman Bing Satrio & Eny (KAP Deloitte) to discuss the audit results of the Company's Consolidated Statements for the fiscal year ended 31 December 2015;
2. Quarterly meetings to discuss the quarterly financial statements of the Company and compliance with the good corporate governance; and
3. Meetings with Internal Audit, among others, to discuss findings and significant cases, standard operating procedures and work plans.

Meetings Frequency and Recorded Attendance of the Audit & Corporate Governance Committee

In 2016, the Audit & Corporate Governance Committee of the Company held 4 (four) meetings, on the following dates:

1. 10 March;
2. 25 April;
3. 28 July; and
4. 27 October.

With an attendance record as shown in the following table:

NUMBER OF COMMITTEE MEETINGS AND ATTENDANCE RATE

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
AUDIT COMMITTEE				
Dedi Aditya Sumanagara*	2	2	-	100%
Harry Wiguna*	2	2	-	100%
Deddy H. Soedarijanto*	2	2	-	100%
GOOD CORPORATE GOVERNANCE COMMITTEE				
Dedi Aditya Sumanagara*	2	2	-	100%
M.P. Sibarani*	2	1	1	50%
Pandri Prabono-Moelyo*	2	2	-	100%
AFTER AGMS				
Boyke W. Mukiyat	2	2	-	100%
M.P. Sibarani	2	2	-	100%
Tonyadi Halim	2	2	-	100%

** His term of service ended at the 28 April 2016 AGMS.*

RISK AND INVESTMENT COMMITTEE

The Risk and Investment Committee is responsible for assisting the Board of Commissioners in carrying out its supervisory duties and functions. The Risk and Investment Committee monitors and provides advice related to investments made by the Company, as well as all aspects of those investments and possible measures to mitigate such risks.

Structure, Membership and Profile of the Investment and Risk Committee

Risk and Investment Committee currently consists of a chairman and 4 (four) members.

The term of office for the Chairman and members of the Investment and Risk Committee shall be valid until the close of the AGMS of the Company in 2018.

The profiles of Risk and Investment Committee members are as follows:

1. **Chairman: Wiwoho Basuki Tjokronegoro**

   Age 77 tahun, previously appointed as President Commissioner of Indika Energy. He graduated Magna Cum Laude from the University of Kansas, USA with a Bachelor of Science degree in Petroleum Engineering in 1964 and a Master of Science in Petroleum Engineering in 1965. Wiwoho Basuki Tjokronegoro also enrolled in post graduate studies in Earth Science at Stanford University, USA from 1968 until 1969.

2. **Member: M. Chatib Basri**

   His profile may be viewed in the Board of Commissioners' Profile.

3. **Member: Boyke Wibowo Mukiyat**

   His profile may be viewed in the Board of Commissioners' Profile.

4. **Member : Richard Bruce Ness**

   His profile may be viewed in the Board of Commissioners' Profile.

5. **Member: Indracahya Basuki**

   Age 43, previously a Commissioner of Indika Energy. He earned a Bachelor of Science degree in Mechanical Engineering from Columbia University, New York, USA in 1996 and a Master of Business Administration from Rice University, Houston, Texas, USA in 2002.

Main Responsibilities of the Risk and Investment Committee

The main responsibility of the Risk and Investment Committee is to assist the Board iof Commissioners in carrying out its supervisory duties relating to investments and risk management of the investment that will be and has been done by the Board of Directors.

In carrying out its main responsibilities, The Risk and Investment Committee reviewed, identified, and analysed the risks and profits to be derived from the proposed investment, material projects and or corporate actions, as well as reviewing the implementation of the proposed investment, material prject and or corporation action. In carrying out its duties and responsibilities, the Risk and Investment Committee reports to the Board of Commissioners with reference to the principle of confidentiality, and the information will only be provided to members of the Risk and Investment Committee and the Board of Commissioners.

Risk and Investment Committee Activity

In 2016, the Risk and Investment Committee reviewed the Company's planned and existing investments, and discussed the concept of a Risk and Investment Committee Charter.

Risk and Investment Committee Meetings

The Risk and Investment Committee holds regular meetings at least four (4) times a year which can only be carried out if attended by at least 1/2 (one half) of the total members, and approved by at least 1/2 (one half) of all the Risk and Investment Committee members present. The entire results of the Risk and Investment Committee meetings are outlined in the meeting minutes, including any dissenting opines. The minutes of the meeting are signed by all members of the Risk and Investment Committee present and submitted to the Board of Commissioners.

In 2016, the Risk and Investment Committee held 5 (lima) meetings, on the following dates:

1. 10 March;
2. 25 April;
3. 28 July;
4. 8 August; and
5. 23 August.

With an attendance record as shown in the following table:

NUMBER OF MEETINGS AND ATTENDANCE OF THE RISK AND INVESTMENT COMMITTEE

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
Wiwoho Basuki Tjokronegoro	2	2	-	100%
Indracahya Basuki	2	2	-	100%
Agus Lasmono*	2	1	1	50%
AFTER AGMS				
Wiwoho Basuki Tjokronegoro	3	3	-	100%
Indracahya Basuki	3	2	1	66%
Richard B. Ness	3	3	-	100%
M. Chatib Basri	3	2	1	66%
Boyke W. Mukiyat	3	3	-	100%

**Term of service ended at the 28 April 2016 AGMS.*

Throughout 2016, the Risk and Investment Committee carried out its work activities. The results were reported regularly to the Board of Commissioners.

HUMAN CAPITAL COMMITTEE

The Human Capital Committee was established by the Board of Commissioners to assist the duties, powers and responsibilities of the Board of Commissioners, especially to carry out oversight of the implementation of the nomination and remuneration policy in accordance with the provisions of the Articles of Associations, prevailing laws and regulations and best practices.

Nomination and Remuneration Function

In carrying out its function, the Human Capital Committee refers to the POJK 34 regulation in order to accommodate the provisions and implementation of nomination and remuneration with regard to the Board of Directors and Board of Commissioners.

Human Capital Structure, Membership and Profile

The Human Capital Committee currently consists of a chairman and two members.

The term of office for the Chairman of the Human Capital Committee and its members is valid until the close of the AGMS of the Company in 2018.

1. Chairman : **M. Chatib Basri**
2. Member : **Agus Lasmono**
3. Member : **Wishnu Wardhana***

* Resigned on 7 December 2016.

The profile of the Chairman and Members of the Human Capital Committee can be seen in the Board of Commissioners and Board of Directors Profile section.

Independence of the Human Capital Committee Members

The Human Capital Committee is chaired by an Independent Commissioner who also acts as the Chairman. To support its decision-making processes related to nomination and remuneration, the Human Capital Committee invites and bring in external expertise and data as a comparison.

Main Responsibilities of the Human Capital Committee

In carrying out its main responsibilities, the Human Capital Committee shall take into account the Company's financial performance, individual performance, the feasibility of the achievements and take into consideration the long-term goals of the Company.

The Human Capital Committee's major responsibilities include, among others, the nomination and remuneration policy. In carrying out its functions related to nomination policy, the Human Capital Committee provides recommendations to the Board of Commissioners in relation to the composition of the Board of Commissioners and/or Board Directors of the Company and the policy and criteria for nomination/appointment of members of the Board of Directors and/or Board of Commissioners, as well as providing recommendations to the Board of Commissioners of candidates who are deemed eligible to become a member of the Board of Directors and/or the Board of Commissioners, to be submitted to the GMS.

In carrying out its functions related to the remuneration policy, Human Capital Committee prepares and provides recommendations to the Board of Commissioners related to the remuneration structure and nominal amount, and assists the Board of Directors in carrying out the performance management process and performance-based remuneration.

One other important role of the Human Capital Committee is to oversee the management of employee engagement in the company, as employees are a very important asset for the Company.

Human Capital Committee Activitiy

During 2016, the Human Capital Committee held meetings to plan and carry out nomination and remuneration processes related to the Board of Commissioners and Board of Directors. In addition, the Human Capital Committee also provided advice to the Board related to the adjustment of operating expenses in line with the decrease in activity, specifically with regard to labor issues.

Frequency of Human Capital Committee Meetings and Attendance

In 2016, Human Capital Committee held 3 (three) meetings on the following dates:

1. 10 March;
2. 25 April;
3. 28 July; and
4. 28 October.

NUMBER OF MEETINGS AND ATTENDANCE OF THE HUMAN CAPITAL COMMITTEE

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
M. Chatib Basri	2	2	-	100%
Wiwoho Basuki Tjokronegoro	2	2	-	100%
Agus Lasmono	2	2	-	100%

AFTER AGMS				
M. Chatib Basri	2	2	-	100%
Agus Lasmono	2	2	-	100%
Wishnu Wardhana*	2	1	-	50%

** His term of service ended at the 28 April 2016 AGMS.*

Policies Regarding Succession of the Board of Directors

In carrying out performance management and succession planning related to the duties and responsibilities of the Board of Directors, the Human Capital Committee has the right and authority to do the following:

1. Assess the performance criteria of members of the Board of Directors based on the Annual Work Plan which has been approved and the other long-term evaluations. Assist the Board of Commissioners in overseeing the performance management of the Board of Directors of the Company.
2. Recommend programs to develop the competencies of members of the Board of Directors of the Company.
3. Assess the succession plan and monitor its implementation to ensure sustainably high performance from the Board of Directors.

V. THE BOARD OF DIRECTORS

The Board of Directors is the organ of the Company which is authorized and takes full responsibility for management of the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company, and to represent the Company, both inside and outside the court in accordance with the Articles of Association of the Company. The Board of Directors is responsible to the GMS as a form of accountability for the management of the Company in accordance with the principles of good corporate governance.

The Board of Directors is responsible for operating and managing the Company for the benefit of shareholders and stakeholders of the Company. Member of the Board of Directors are appointed by the GMS for a period of two years without prejudice to the right of the GMS to dismiss them at any time. The President Director is entitled and authorized to act for and on behalf of the Board of Directors and to represent the Company. In the case that the President Director is absent or unavailable for any reason whatosever, which does not need to be proven to a third party, then two members of the Board of Directors, shall be entitled and authorized to act for and on behalf of the Board of Directors and the Company.

Board of Directors Charter

In managing the Company, the Board of Directors holds to the Board of Commissioners and Board of Directors Charter, which has been formulated based on applicable regulations in Indonesia, in particular OJK regulations relating to the Board of Directors and corporate governance.

Structure and Membership of the Board of Directors

As part of the efficiency initiative of the Company, the EGMS dated 28 April 2016 decided to amend Article 14 Paragraph 1 of the Articles of Association regarding the composition of the Board of Directors of the Company, becoming at a minimum composed of 3 (three) members, of which one of them is appointed as the President Director, another may be appointed as the Vice President Director, and 1/3 (one-third) of the members are Independent Directors (in accordance with the requirements of prevailing Capital Markets regulations).

The results of the AGMS on the same date ratified the following composition of the Board of Directors:

President Director	: **M. Arsjad Rasjid P.M.**
Director	: **Azis Armand**
Independent Director	: **Eddy Junaedy Danu**

Scope of Work and Responsibilities of the Board of Directors

In accordance with the Board of Commissioners and Board of Directors' Charters, the Board of Directors has the following basic principles in leading and managing the Company:

1. To always pay attention to the interests of the Company and carry out business activities in accordance with the Articles of Association of the Company and without the intention to the benefit of specific parties and classes.
2. In the event that there are indications of a conflict of interest, members of the Board of Directors concerned shall not participate in decision-making. However, the members of the Board of Directors remain subject to and must continue carrying out management actions in line with the decisions that have been taken.
3. Strive for and ensure the implementation of activities in accordance with the purpose, objectives and business activities of the Company stated in the Articles of Association of the Company.
4. Ensure that the rights of stakeholders that arise under prevailing laws and regulations and/or agreements made by the Company with employees, service users, suppliers and other Stakeholders are protected.
5. Compliance with prevailing laws and regulations, Articles of Association, the decisions of the GMS and established governance guidelines and policies of the Company.
6. Acting with good faith, integrity, professionally, prudently, responsibly and consistently applying the principles of good corporate governance.

In managing the Company, the Board of Directors has authority, among others, as follows:

1. To establish policies in leading and managing the Company.
2. In the course of managing the Company, the Board of Directors is entitled to represent the Company inside and outside court and to perform all acts and good deeds regarding the management and ownership of the Company as well as bind the Company with the other parties and the other parties to the Company, with the restrictions set forth in the Articles of Association of the Company, the decisions of the Board of Directors, the decisions of the Board of Commissioners and/or other Company policies. The Board of Directors may provide written authority to represent the Company to one or several persons that have been specifically appointed in writing for this purpose.
3. To perform other actions, regarding management as well ownership, in accordance with the provisions stipulated in the Articles of Association, the GMS, the Decisions of the Board of Directors, Decisions of the Board of Commissioners and/or other Company policies based on the prevailing laws and regulations or other applicable Company policies.

In assisting the management and operations of the Company, each member of the Board of Directors has the following responsibilities:

1. President Director: M. Arsjad Rasjid P.M.

As the President Director, he is responsible for establishing the Company's strategy and realizing it through the development of Indika Energy Group's (IEG) business, as well as for coordinating at a subsidiary of the Company where the Company is a majority and controlling shareholder, namely by serving as the President Commissioner of MBSS.

The President Director directly oversees the Corporate Secretary and Internal Audit.

In carrying out his responsibilities, the President Director is assisted by several Directors as follows.

2. Director: Azis Armand

As the Group CFO, he is responsible for overseeing the financial condition of the Company and directly overseeing the areas of Finance, Accounting and Business Support, Strategy and Busienss Development, and Corporate Finance and Investor Relations.

He supervises mining resources companies/businesses in the development phase: PT Indika Indonesia Resources, PT Multi Tambangjaya Utama dan Indika Energy Trading.

He moreover functions as a coordinator at a subsidiary of the Company where the Company is a majority and controlling shareholder, namely at Petrosea.

3. Independent Director: Eddy Junaedy Danu

Responsible as the Independent Director for Legal and Corporate Risk Management.

Supervises infrastructure energy companies/businesses in the development phase: PT Indika Logistic & Support Services and PT Cirebon Electric Power as well as PT Prasarana Energi Cirebon.

He moreover functions as a coordinator at a subsidiary of the Company where the Company is a majority and controlling shareholder, namely by serving as the President Commissioner at Petrosea.

In order to assist it in its daily tasks, the Board of Commissioners is directly supported by work units under it, namely the CEO Office, Corporate Communications & Sustainability.

Concurrent Appointments of the Board of Directors

Anggota Direksi Perusahaan juga menduduki beberapa jabatan Member of the Board of Directors also held several other positions in subsidiary companies and entities related to the Company. The details of concurrent appointments of members of the Board of Directors are as follows:

1. M. Arsjad Rasjid P.M.

Aside from serving as the President Director of the Company, he also serves as President Commissioner of MBSS and a Commissioner at PT Rukun Raharja Tbk.

2. Azis Armand

No concurrent appointments in publicly listed companies or other public companies.

3. Eddy Danu Junaedy

No concurrent appointments in publicly listed companies or other public companies.

Meetings Frequency and Attendance of the Board of Directors

Based on POJK 33 and the Board of Commissioners and Board of Directors Charter, the Board of Directors must convene a meeting of the Board of Directors periodically at least 1 time (once) every month. However, the Board of Directors may hold meetings at any time if deemed necessary by one or more members of the Board of Directors or at the written request of one or more members of the Board of Commissioners, or at the written request of one or more shareholders who together represent one tenth or more of the total number of shares with voting rights.

Board of Directors meeting shall be valid and may adopt binding resolutions if more than half of the Board of Directors members are present or represented by other members of the Board of Directors based on power of attorney specifically granted in the meeting.

Decisions of the Board of Directors meetings shall be taken by consensus. If not achieved, then the decision shall be taken by the affirmative vote of at least more than half of the total votes cast at the meeting.

The Board of Directors may also take legitimate decisions without convening a meeting of the Board of Directors, provided that all members of the Board of Directors has been informed in writing and all members of the Board of Directors approve the proposal submitted in writing by signing their approval. Decisions taken in this way have the same legal force as decisions taken in lawfully in meetings of the Board of Directors. In 2016, the Board of Directors held meetings, among others, to discuss current market conditions, the Company's performance, and other aspects relating to the operations and business of the Company, as well as to approve the Company's corporate actions.

Board of Directors Meeting Notes

In 2016, the Company's Directors held 17 (seventeen) meetings on the following dates:

1. 27 January;
2. 25 February;
3. 4 March;
4. 24 March;
5. 20 April;
6. 16 Mei;
7. 6 June;
8. 23 June;
9. 12 July;
10. 22 July;
11. 13 September;
12. 2 September;
13. 4 October;
14. 20 October;
15. 9 November;
16. 22 November; and
17. 6 Desember.

The attendance record was as follows:

NUMBER OF BOARD OF DIRECTORS MEETINGS AND ATTENDANCE

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
Wishnu Wardhana*	5	5	-	100%
M. Arsjad Rasjid P.M.	5	5	-	100%
Azis Armand	5	5	-	100%
Eddy Junaedy Danu	5	4	1	80%
Richard B. Ness*	5	5	-	100%
Joseph Pangalila*	5	4	1	80%
Rico Rustombi*	5	5	-	100%
AFTER AGMS				
M. Arsjad Rasjid P.M.	12	12	-	100%
Azis Armand	12	12	-	100%
Eddy Junaedy Danu	12	11	1	92%

** Term of service ended at the AGMS dated 28 April 2016.*

Performance Assessment Process for the Board of Directors

In general, the performance of the Board of Directors is determined based on the achievement of the Work Plan Budget (RKA). Formal evaluation criteria are communicated openly to the members of the Board of the Directors since the date of their appointment.

The criteria for the performance evaluation of the Board of Directors is determined by the Board of Commissioners based on the Key Performance Indicator (KPI) which include the following:

1. The achievement of targets set out in the Company's Work Plan Budget;
2. Contributions to the Company's business activities;
3. Involvement in certain assignments;
4. Commitment to advancing the interests of the Company;
5. Adherence to the prevailing laws and regulations, and the Company's policies; and
6. Attendance level in the meeting of the Board of Directors as well as meetings with the Board of Commissioners.

Party Conducting the Performance Assessment of Directors

The performance of members of the Board of Directors is evaluated by the Human Capital in accordance with the benchmarks that have been formulated.

The performance evaluation results of the Board of Directors as a whole as well as the performance of each Member of the Board of Directors is individually reported to the Board of Commissioners and is an integral part in the compensation and incentive scheme for the Board of Directors.

The performance evaluation results of each Member of the Board of Directors are one of the basic considerations especially for Shareholders to discharge and / or re-appoint members of the Board of Directors concerned. The result of the performance evaluation is a means for assessing and increasing the effectiveness of the Board of Directors.

Procedure for Determination of Remuneration for Directors

As set forth in POJK 34, in carrying out the functions of the remuneration, Human Capital Committee shall perform the following procedures:

1. Formulate the remuneration structure of the members of the Board of Directors;
2. Develop remuneration policy for members of the Board of Directors; and
3. Preparing the remuneration amount for members of the Board of Directors.

Remuneration Structure for the Board of Directors

Under the provisions of POJK 34, the remuneration structure of the Board of Directors may include salaries, honorarium, incentives, and/or allowances that are fixed and/or variable.

Furthermore, in the preparation of the structure, policies, and amount of remuneration referred to above, the following must

be taken into consideration:

1. Prevailing remuneration practices in similar industries in accordance with the Company's operations;
2. The duties, responsibilities and authority of Board of Directors members linked to the achievement of the goals and performance of the Company;
3. Target performance or the performance of individual members of the Board of Directors;
4. A balance of benefits between fixed and variable components; and
5. The structure, policy and amount of remuneration shall be evaluated by the Human Capital Committee each year.

Details of the compensation awarded to the Company's Board of Directors of the Company is as follows:

In US$

DESCRIPTION	2016	2015
Short term benefits for the Board of Directors	1,303,605	2,185,578

Training Programs for the Board of Directors

In 2016, members of the Board of Directors participated in a competency training and development program in the form of the "BOC & BOD Induction Indika Energy Group" on 23 May 2016.

Bapak M. Arsjad Rasjid P.M. has participated executive Education in INSEAD, namely International Directors Programme 2016, which was conducted in Singapore and Fontainebleau, France.

The provisions regarding this Program to Improve the Capabilities of the Board of Commissioners and Board of Directors were carried out in order to increase the work effectiveness of the Board of Commissioners and Board of Directors of the Company and the Company's subsidiaries.

Work Relations Between the Board of Commissioners and Board of Directors

The creation of a good and conducive working relationship between the Board of Commissioners and the Board of Directors is one very important factor to enable these organs of the Company to be functioning effectively and efficiently.

To maintain a good working relationship between the Board of Commissioners, and the Board Directors, the Company has adopted the following principles:

1. The Board of Commissioners shall respect the function and role of the Board of Directors in managing the Company as stipulated by laws and regulations and the Articles of Association of the Company.
2. The Board of Directors respects the role and functions of the Board of Commissioners to supervise and providing policy advice on the management of the Company.
3. All working relationships between the Board of Commissioners and the Board of Directors are formal in nature, in the sense that they should always be underpinned by a standard mechanism or formal correspondence that can be accounted for.
4. Members of the Board of Commissioners and Board of Directors may have informal work related exchanges, but these may not be used as formal policy without the use of accountable mechanisms or correspondence.
5. The Board of Commissioners reserves the right to gain access to company information in a timely, accurate, and complete manner.
6. In order to obtain more information on a particular matter, the Board of Commissioners may request such explanations from officials under the Board of Directors after first coordinating with the Board of Directors so as to create a balance between the working relationship with the Board of Commissioners and Board of Directors with the goal of corporate communication one door (one gate policy).
7. The Board of Directors is responsible for ensuring that information on the Company is submitted to the Board of Commissioners in a timely, accurate, consistent and complete manner.

Each working exchange between the Board of Commissioners and the Board of Directors is an institutional exchange in the sense that the Board of Commissioners and Board of Directors as a collective represents the whole of its members, so that each working exchange between members of the Board of Commissioners and members of the Board of Directors should be known to the other members of the Board of Commissioners and members of the Board of Directors.

Joint Meetings of the Board of Commissioners and Board of Directors

Unless otherwise stipulated by the provisions of the prevailing Capital Market Regulations, a joint meeting of the Board of Commissioners and Board of Directors, whether held by the Board of Commissioners or Board of Directors, shall be held each at least once every four (4) months.

Joint meetings of the Board of Commissioners and the Board of Directors of the Company are a form of coordination between the Board of Commissioners and Board of Directors, among others to discuss periodic reports from the Board of Directors, conditions and prospects, national policies that impact on the Company's performance, provide feedback, notes and advice set forth in the minutes of the joint meeting of the Board of Commissioners and Board of Directors, as well as other matters that deemed necessary, including but not limited to the preparation of the GMS as well as the discussion of the presentation and publication of annual reports and periodic financial statements of the Company.

In 2016, the Board of Directors and Board of Commissioners of the Company held 8 (eight) meetings on the following dates:

1. 25 February;
2. 16 March;
3. 25 April;
4. 23 May;

5. 24 June;
6. 29 July;
7. 28 October; and
8. 7 December.

This table presents the attendance of each member of the Board of Commissioners and Board of Directors as set forth in the attendance list of record Meeting of the Board of Commissioners and Directors as follows:

NUMBER OF MEETINGS AND ATTENDANCE LEVEL

NAME	NUMBER OF MEETINGS	ATTENDANCE	ABSENCE	% ATTENDANCE
Wiwoho Basuki Tjokronegoro*	3	3	-	100%
Agus Lasmono	3	3	-	100%
Indracahya Basuki*	3	3	-	100%
Pandri Prabono-Moelyo*	3	3	-	100%
Dedi Aditya Sumanagara*	3	3	-	100%
M. Chatib Basri	3	2	1	66%
Wishnu Wardhana*	3	3	-	100%
M. Arsjad Rasjid P.M.	3	3	-	100%
Azis Armand	3	3	-	100%
Richard Bruce Ness*	3	3	-	100%
Eddy Junaedy Danu	3	3	-	100%
Joseph Pangalila*	3	2	1	66%
Rico Rustombi*	3	3	-	100%
AFTER AGMS				
Wishnu Wardhana**	5	4	1	80%
Agus Lasmono	5	4	1	80%
M. Chatib Basri	5	5	-	100%
Boyke W. Mukiyat	5	5	-	100%
Richard Bruce Ness	5	5	-	100%
Azis Armand	5	5	-	100%
Eddy Junaedy Danu	5	5	-	100%

** Term of service ended at the AGMS dated 28 April 2016.*

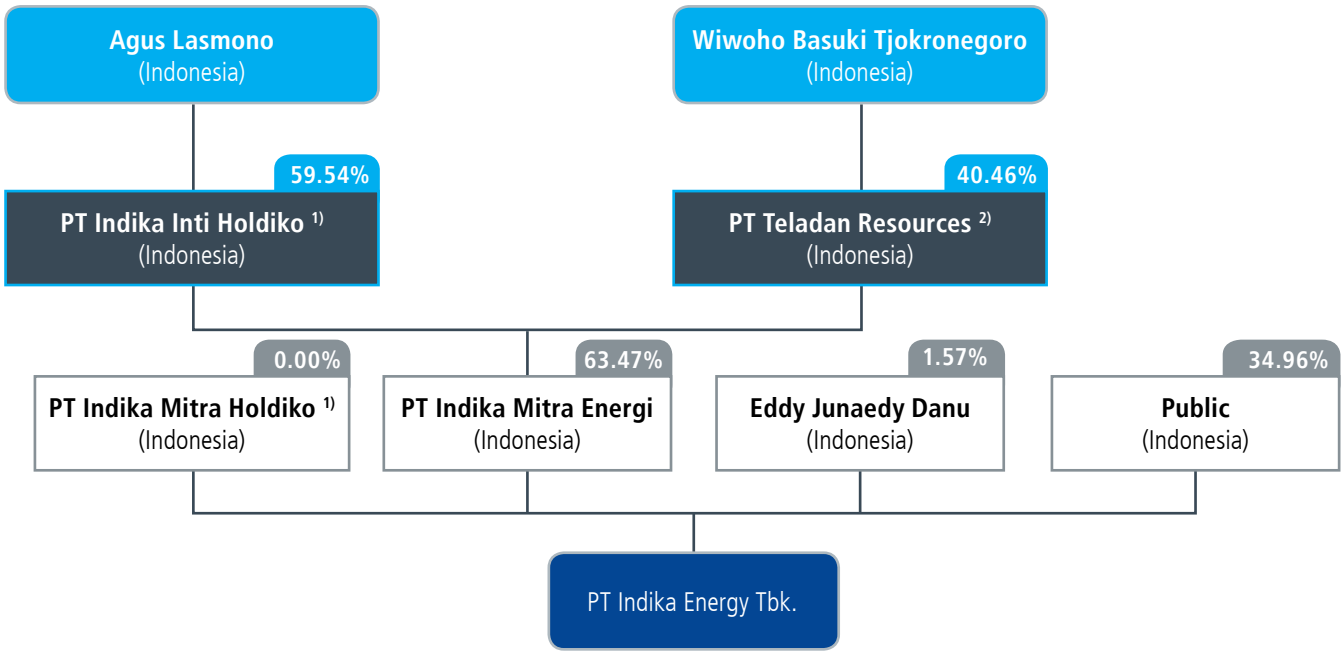
*** Resigned on 7 December 2016.*

VI. CONTROLLING SHAREHOLDER

PThe controlling shareholder of the Company is PT Indika Mitra Energi, which is indirectly controlled by Mr. Wiwoho Basuki Tjokronegoro and Mr. Agus Lasmono.

VII. CORPORATE SECRETARY

The Corporate Secretary cooperates with related divisions, including the Legal, Investor Relations and Corporate Communications Divisions, to communicate information possessed by the Company to the public and ensure that the information provided by the Company is done so in an accurate, clear, efficient and comprehensive manner in accordance with the prevailing laws and regulations. In performing his/her duties, the Corporate Secretary firmly adheres to the principles of good corporate governance, in particular the principles of accountability and transparency, in order to maintain and improve the integrity and confidence in the Company on the capital market with its shareholders and stakeholders.



Notes:
1) **PT Indika Inti Holdiko** is owned and fully controlled by Agus Lasmono
2) **PT Teladan Resources** is owned and fully controlled by Wiwoho Basuki Tjokronegoro

Based on the Circular Decision of All the Directors of the Company No. 040/IE-BOD/VIII/2013 dated 22 July 2013, **Dian Paramita** has been appointed as Corporate Secretary.

Duties and Responsibilities of the Corporate Secretary

The Corporate Secretary serves as the contact person of the Company for external parties, especially the government, capital market authorities, the media and related stakeholders. The Corporate Secretary establishes effective and transparent communication with the regulator and authorities and capital market participants, as well as ensuring information disclosure on material transactions and corporate actions. The Corporate Secretary is also responsible for ensuring compliance with the prevailing laws and regulations, especially in the capital markets sector. In addition, the Company Secretary also ensures the Company fulfills the reporting requirements, such as information disclosure of corporate actions, Financial Statements, the Annual Report, a monthly report associated with share ownership and a monthly report on the Company's liabilities in foreign currency. In performing its duties, the functions of the Corporate Secretary are handled by the Corporate Secretary unit which generally performs the functions, duties and responsibilities as regulated internally in the work unit.

Activities of the Corporate Secretary

In 2016, the Company submitted the required reports to regulators, including but not limited to the OJK and IDX. The Corporate Secretary also completed and submitted the 2015 Annual Report of the Company on 6 April, and organized the AGMS and Public Expose on 28 April 2016.

Profile

Dian Paramita, age 42, was appointed Corporate Secretary in 2013. She currently serves as Head of the Legal Division of the Company. Prior to joining the Company, she served as Corporate Secretary and Head of the Legal Division of PT Bentoel International Investama Tbk. (2011-2013) and a Partner at Soewito Suhardiman Eddymurthy Kardono Law Firm (1997-2011). She graduated from the Faculty of Law, University of Indonesia in 1997 and holds a Master of Law from the Washington College of Law, American University, USA in 2001.

Training

In 2016, the Corporate Secretary has attended various trainings in the field of capital markets and internal training together with the Corporate Secretaries of other Group companies, inviting capital market legal experts to develop their competencies and constantly keep updating their knowledge of the newest capital market regulations effective from the governmental authorities in the field of capital markets.

VIII.INTERNAL AUDITOR

Fungsi Audit Internal Perusahaan memberikan keyakinan (objective The Internal Audit of the Company functions to provide objective assurance and independent and objective consultation that aims to increase and improve the operational activities of the Company through a systematic approach, by evaluating and improving the effectiveness of internal control, risk management and corporate governance processes in accordance with legislation and company policies.

In addition, the Internal Audit Unit also conducts inspections and assesses the efficiency and effectiveness of the Company's activities in the areas of finance, operations, human resources, information technology and other activities and provides recommendations for objective improvements associated with each area being examined.

Scope of Work and Duties

The Internal Audit Unit Audit formulates a yearly audit plan that covers every area of the Company's activities and must be approved by the Board of Directors and Audit Committee of the Company. Internal Audit is responsible for implementing the audit plan in the current year, including any ad-hoc audits as requested by the management.

Specifically, the Internal Audit Unit endeavors to improve profitability by recommending improvements in management control and encouraging adherence to standardized procedure and best practices. It aims to determine whether the risk management, internal controls and the governance processes that have been designed and implemented are adequate and functioning properly.

The Internal Audit Unit shall submit an audit report at the end of each inspection, including findings, recommendations and corrective measures that need to be taken, to the relevant senior management as well as to the President Director and the Audit Committee. Throughout the year, the internal auditors regularly coordinate with the Audit Committee to discuss completed assignments, findings, recommendations and follow-up of audit results, as well as the alignment of audit plan.

In order to perform its duties, the internal auditors have full access to all records, properties, functions and employees of the Company, as well as to the Board of Directors and the Board of Commissioners related to their work. To maintain the independence of the Internal Audit function, internal auditors are not allowed to engage in operational activities such as conducting and approving accounting transactions outside the scope of internal audit. Internal audit staff report to the Head of Internal Audit. Administratively, the Head of Internal Audit will report to the President Director and functionally report to the Audit Committee. In 2016, Internal Audit held 4 (four) meetings with the Audit Committee on the following dates:

1. 10 March;
2. 25 April;
3. 28 July; and
4. 27 October.

Head of Internal Audit

1. Appointment and Dismissal

Pursuant to Bapepam-LK No.IX.I.7 on Establishment and Guidelines for Internal Audit Charter, the Head of Internal Audit Unit is appointed and dismissed by the President Director with the approval of the Board of Commissioners. The Company will submit notice to Bapepam-LK associated with the removal, replacement, and the dismissal of the Head of Internal Audit.

2. The Head of Internal Audit

In accordance with the Decree of the Board of Directors of the Company No.072/IE/CSL/DEC.BOD/V/2016 dated 19 May 2016, Burhan Sutanto was appointed as Head of Internal Audit of the Company replacing Rajiv Krishna. The Company has informed to OJK with letter No. No.046/IE/CSL/LET/V/2016 dated 20 May 2016.

Profile

Burhan Sutanto, age 45. Previously, he held positions as Finance Director of Danone Vietnam since 2009 and Finance Director of PT Aqua Golden Mississippi Tbk, Director of Business Analysis & Planning of Danone Aqua and Finance Director of PT IBSA. He began his career as a Senior Auditor at Arthur Anderson. He earned a Bachelor of Economics degree, majoring in Accountancy, from Trisakti University in 1994. In 2002, he earned certification from the Institute of Certified Management Accountants at Australia

Internal Audit Unit Members

On December 31, 2016, the Company had 3 (three) employees in the Internal Audit unit consisting of 1 (one) Senior Vice President officer, 1 (one) Senior Manager officer, and 1 (one) auditors. The number of internal auditors will be continuously adapted to the business management needs of the Company.

Qualification and Certification of Internal Audit Unit

In 2016, the Internal Audit unit has carried out its duties and responsibilities in accordance with the Audit Plan prepared together with the Audit Committee. The scope of internal audit tasks includes the company's operations and the adequacy of financial internal controls as well as the integrity of financial statements.

The Internal Audit Unit also conducted tests related to the implementation of the GCG. This test was an ad-hoc activity for the Internal Audit Unit that was conducted based on the National Committee on Corporate Governance (KNCG), which is a reference for any business entity in implementing good corporate governance.

Internal Audit Unit Position in Company Structure

The structure of the Company's internal audit unit based on the Audit Charter dated 27 October 2014, is as follows:

- The Internal Audit Unit is chaired by the Head of Internal Audit Unit.
- The Head of the Internal Audit Unit is appointed and dismissed by the President Director with the approval of the Board of Commissioners.
- The President Director may dismiss the Head of Internal Audit Unit with the approval of the Board of Commissioners if the individual in question is unable to fulfill the responsibilities of an Internal Auditor, as set out in the Internal Audit Charter, or cannot execute their job properly.
- The Head of the Internal Audit Unit is responsible to the President Director of the Company.
- Members of the Internal Audit Unit are responsible to the Head of the Internal Audit Unit.

IX. EXTERNAL AUDITOR

In accordance with Regulation No. VIII.A.2, Bapepam-LK Decision Attachment No. Kep-86/BL/2011 dated February 2011 related to the Independence of Accountants Providing Capital Market Services, regarding Restrictions on Audit, Assignments which includes:

1. The provision of public audit services for client financial statements may only be done by a public accounting firm for a maximum of 6 (six) consecutive years and by an accountant for a maximum of 3 (three) consecutive years; and
2. A Public Accountant Office and Accountants may be reappointed to audit a client after one year of not auditing the client in question.

Through the ratification of the GMS dated 28 April 2016, the Company has authorized the Board of Commissioners to appoint a public accountant to examine the books of the Company for the year ended 31 December 2016. The appointed Public Accountant Office has conducted an audit based on the Auditing Standards established by Indonesian Institute of Certified Public Accountants and the scope of the work that has been determined and agreed upon.

For the 2016 financial year, public accountant Mr. Henri Arifian signed on the Independent Auditor's Report on behalf of Public Accountant Eny Bing Satrio & Partners.

Public Accountant Period and Fees

The table below sets the Public Accountant Firms and Public Accountants for a period of five years including total remuneration for audit services.

YEAR	PUBLIC ACCOUNTANT FIRMS	PUBLIC ACCOUNTANT	AUDIT FEE
2016	Eny Bing Satrio & Rekan	Henri Arifian	Rp1,315,535,000
2015	Osman Bing Satrio & Eny	Henri Arifian	Rp1,390,144,000
2014	Osman Bing Satrio & Eny	Drs. Osman Sitorus	US$ 78,000
2013	Osman Bing Satrio & Eny	Drs. Osman Sitorus	US$ 77,000
2012	Osman Bing Satrio & Eny	Drs. Osman Sitorus	US$ 109,000

Services other than the Annual Financial Audit Report

During the 2016 fiscal year, no other services were provided by Public Accountant Henri Arifian of Satrio Bing Eny & Partners other than audit services for the Company's annual financial statements..

X. RISK MANAGEMENT

Risk Management System Implemented by the Company

Recognizing that the growth and operational and financial performance of the Company are vulnerable to several risks, the Company has implemented a risk management system to ensure business continuity.

Risks Faced by the Company

The Company face a variety of risks in its operations, primarily related to the volatility of coal prices and the global economy. Further information regarding the risks facing the Company can be seen in the section on Business Prospects and Key Risk Factors.

Evaluation of the Effectiveness of the Risk Management System

The effectiveness of the Company's risk management system is periodically evaluated by the Investment and Risk Committee, with consideration of inputs from the Audit Committee and the Internal Audit Unit.

Risk Management Efforts

The company carries out a number of measures to manage the risks it faces, such as implementing a risk matrix, capital structure management through optimization of debt and equity, financial ratios, liquidity risk management, and more

XI. INTERNAL CONTROL

The internal control system is an integral process in actions and activities that is carried out continuously by the management and all employees, to provide reasonable assurance on the achievement of organizational goals through effective and efficient operational activities, reliable financial reporting and compliance with laws and regulations.

The Company uses the International best practices of Internal Auditing in implementing internal control in the Company. Furthermore, the Company also has an internal control system consists of a series of procedures and best practices, control activities which consist of the authorization control, financial review, supporting documentation, reconciliation, security of information systems, and the sorting of tasks including financial and operational aspects as well as compliance with other prevailing legislation and regulations.

These systems provide assurance to management that operational activities can be executed efficiently and effectively and the results of the operational activities are recorded accurately in Company records. The internal control system is designed to prevent material transactions without sufficient authorization, and to prevent and detect irregularities or anomalies.

Key Company employees are familiar with the concept and objectives of internal control, in which the Internal Audit unit of the Company regularly reviews the effectiveness of the internal control systems that have been implemented by management. The Internal Audit Unit ensures that company policies and procedures are carried out and any material weaknesses can be identified and recommendations to improve control can be communicated to the appropriate management level.

Framework for Internal Control Systems

The Company has an internal control system which adopted from international best practices to address the Company needs.

Evaluation of Effectiveness of Internal Control Systems

The effectiveness of the Company's internal control system is reflected in the internal control system processes, which reference generally accepted practices.

XII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR Related to the Health, Safety and Environmental Policies Established by the Management

1. Health, Safety & Environment

As stated in the Company's Code of Business Conduct, the Company always prioritizes the principles of Health, Safety and Environment (HSE) in every activity. The Company is committed to conduct its business in an ethical manner with a policy of environmental responsibility, operating legally and contributing to environmental conservation efforts. The Company continuously instills awareness of environmental responsibility in all employees and company elements.

The policy is based on several prevailing laws and regulations. It is applied also by Indika Energy subsidiaries whose operating activities affect the environment. In line with the commitment of the Company, the management of each subsidiary has set policies to safeguard and mitigate any impact on the environment generated by the operations of the company.

2. Activities

Environmentally friendly operational activities were carried out by subsidiaries in line with their respective operations, including among others the Environmental Impact Assesment (AMDAL) and greening of the environment. Identification of environmental impact is also done before the company carries out activities so that all aspects and issues that could potentially impact the environment can be identified.

3. Environmental Certification

Indika Energy does not have certification relating to the environment, but through its subsidiaries it has environmental certification such as ISO14001:2004 for Environmental Management.

CSR Related to Employees and a Safe and Healthy Workplace

1. Management policy

Safety is the top priority. Only through commitment to the safety of all parties and its environment can operational continuity and livelihoods of all stakeholders be assured. As set forth in the Code of Business Conduct in Indika Energy, the Company always prioritizes the principles of Health, Safety and Environment (HSE) in every activity. No matter how much profit can be made by the Company, the safety and security of employees is the top priority. Employees who are healthy and work in safe and comfortable conditions will safeguard and push the achievement of company objectives.

The Company ensures that working employees are protected so that they can optimally produce. These protections, which cover labor and Occupational Health and Safety, are an inseparable part of the Company's strategic focus.

2. Activities

The management has directed the entire staff and employees to build a culture of safety with zero accidents, through the principle integrated safety focus to avoid work accidents. Indika Energy Group believes that the Health, Safety and Environment (HSE) is the key to business continuity.

The Company also implemented rules and developed an HSE management system, namely i-DRIVE, which is listed in the Employee Guidelines on Safety, in line with OHSAS 18001: 2007. With this system, high safety standards are reflected in the actions of each employee to take responsibility for individual safety as well as the safety of all members of the team.

A comfortable and safe working environment, including equality of employment and career opportunities for all employees regardless of gender, religion or race. Employees are also provided with training and are placed in positions corresponding to work procedures that ensure the protection of the health and safety of employees.

CSR Related to Consumer Responsibility

1. Management policy

Indika Energy Group is committed to provide good service to clients, vendors or customers. The application of good corporate governance that strives to create a good business climate with based on ethics and transparency is an obligation that must be fulfilled in order to ensure the sustainability of the Company and continue to provide benefits to stakeholders.

2. Activities

The Company routinely communicates and disseminates publications containing information on the Company. This allows the Company to openly obtain feedback which is then used to continuously improve quality, innovation and interaction with the public and society.

This commitment is also reflected in the business conduct of each subsidiary, in providing services and maintaining the level of customer satisfaction, including the presence of a dedicated customer service staff in each subsidiary.

CSR Related to Social Responsibility

In 2016, related to efficiency, Sustainability initiatives were directed at the operational and strategic level.

XIII. LEGAL CASES

Throughout 2016, the Company, members of the Board of Directors as well as members of the Board of Commissioners were not involved in any legal cases that significantly impacted the Company. Trading of INDY shares was suspended twice by the IDX due to Unusual Market Activities (as described in Share Highlights).

XIV. ACCESS TO COMPANY DATA AND INFORMATION

Law No. 8 of 1995 on Capital Markets governs the disclosure and reporting obligations for Issuers and Public Companies. The law defines the principle of transparency as a general guideline which requires Issuers and Public Companies or other Parties mentioned to disclose all Material Information regarding the business or securities that may affect the decisions of those providing capital or investing in the Securities in question and/or the price of these Securities, to the public in a timely manner.

Openness refers to transparency of information, which will be more useful if delivered through various media. Good information media must be able to provide equal access in a timeling- effective manner enab anyone to access the information. The accelerating development of information technology currently allows open access at anytime, from any place. An example of the information technology in question is Internet technology. One use of Internet technology as a medium for information delivery is a web site, as a medium that is highly easily accessible by the public without significant cost, as a very effective medium of communication. Therefore, it is unsurprising that at this time, websites of Issuers or Public Companies have become one of the sources of information most frequently accessed by providers of capital or investors, in particular shareholders, customers, communities, governments, and other stakeholders to obtain information related to the Issuer or Public Company.

With consideration of the above, as a public company the existence of a Company's website will improve the application of principle of transparency as mandated by Law No. 8 of 1995 on Capital Markets and improve the implementation of good corporate governance, so as to further foster the trust of investors or investors particularly our shareholders, customers, communities, governments, and other stakeholders in Issuers or Public Companies. This is further regulated in POJK 8 / POJK.4 / 2015 on Public Company Websites ("POJK 8") and SEOJK 32.

Therefore, as a form of the Company's compliance with applicable laws, the Company has a Corporate website, which is filled with

with information concerning the Company, in particular information required by POJK 8 and SEOJK 32 to be posted on the website, which can be accessed at any time by the public, investors and shareholders. Through the Company's website, the Company ensures that there is an effort to increase the role and participation of shareholders or investors through effective and continuous communication. This website is managed by the Company and endeavors to always provide real-time, reliable information about the Company.

XV. CODE OF BUSINESS CONDUCT

In implementing good corporate governance, each employee has a responsibility and obligation to help create a healthy and sound business climate. Therefore, as a form of shared responsibility, the Company implement the Employee Handbook of Code of Business Conduct and disseminated guidelines.

The Company hopes to create an ethical corporate culture and uphold the principles of good governance.

All organizational levels in Indika Energy Group are required to comply with these business conduct and code of business conduct policies.

Violations for sanctions

Violations of the code of business conduct may lead to disciplinary action including termination of employment.

The content of the Code of Business Conduct, among others, is as follows:

1. Employees

- Employees as Individuals
  - Respecting Every Individual

    Every employee has the right to develop his/her potential and Indika Energy Group is committed to value the talents of each individual while holding firm to and upholding the values of the Company.
  - Keseteraan Peluang

    The Company will provide equal employment opportunity for all employees, regardless of ethnicity, religion, race, customs, gender, age and or physical obstacles. The Company makes an exception to this policy only when hiring employees for positions that require specific physical abilities in performing the primary functions of the job.
- Employees in the Work Place
  - Respecting Diversity

    Indika Energy Group values the diversity of its employees. Each employee must respect differences of gender, language, culture, religion, sexual orientation and social economic status of other employees.
  - Respecting Norms

    Providing a working environment working environment that is mutually respectful of all employees, free from any intimidation, hostility, insults or other unpleasant behavior in any form whatsoever, which may cause feelings of hurt, ostracization, belittlement or insult.
- Employees and Social Activities

  In general, Indika Energy respects and supports cultures, traditions and customs of the communities in which it has operational business activities. Each employee may actively participate in community volunteer programswith the objective of strengthening ties andfamiliarity with local communities.

2. Health, Safety and Environment

In every activity, Indika Energy Group always prioritizes the principles of Health, Safety and Environment (HSE). Regardless of the amount of profit that the Group can obtain, the safety and security of employees is the first priority. Healthy employees who are working in safe and comfortable conditions will maintain and drive

the the achievement of the Company's aims. As such, employees as the most important resources will be given training and placed in positions in accordance with work procedures that guarantee protection of the health and safety of employees.

3. Integrity

The following are an explanation of main elements of the principles of integrity in business:

- Conflicts of Interest

  Conflicts of interests may arise when there is an opportunity for an employee of any Group Company or parties who have the opportunity to become embroiled in a conflict of interest to receive personal gain or benefit or to prioritize personal interests ahead of obligations and duties to the Group Companies.

  The parties who have the potential to become involved in conflicts of interests according to this rule are:

  a. Any employee family member including spouses (husband/wife), children, father, mother, male or female relatives who are related by blood or by marriage and descent until the second degree, both horizontally as well as vertically.

  b. Any organization that is not related to the Company in which an employee or an employee's family member is an official, owner, partner, enjoys profit from any type of share in the Company / or property in which that individual has considerable interests/profits, or who serves as a supervisor of the company or in a similar capacity.

- Illegal Gifting/Receiving

  Indika Energy Group companies are not allowed to directly or through intermediaries, offer, promise or give gifts, payment or any benefits in any form whatsoever to employees, officers or government officials.

- Donations

  Indika Energy Group does not provide any donations or sponsorships to political parties or private individuals with the potential to generate improper profit or influence.

  Donations that may be given pursuant to the provisions of the Company and prevailing laws and regulations subject to specific scrutiny are:

  a. Contributions to government agencies for public use. This donation shall NOT include donations for government official nomination processes or for political party member election processes (Pilkada).

  b. Contributions to professional associations or educational,socio religious, and sports institutions, provided that the professional associations or institutions will not influence legislation or participate in campaigning for public office, and none of the contributions will benefit any private or individual stakeholders.

- Anti Corruption Behavior

  Compliance with regulations is a characteristic that is clearly aligned with an anti-corruption attitude and behavior

4. Information Management

Every employee is responsible for protecting the security of:

a. Confidential data and information belonging to the Company as well as within Indika Energy Group.

b. Information Technology (IT) hardware/ software and the Company's information system

5. Bookkeeping, Control and Protection of Company Assets

The following are a number of policies and regulations that all employees must take notice of and comply with to protect the assets and finances of the Company.

a. Accurate Bookkeeping

b. Financial Control

c. Asset Protection.

6. Reporting of Non-Compliance, Investigations, Disciplinary Sanctions

Failure to comply with the code of business conduct that involves criminal actions may result in a court of law summons by authorized parties. Employees who violate regulations, laws or the rules of any company within Indika Group may face disciplinary sanctions including the severance of the work relationship.

Indika Energy has created a reporting system for violations or non-compliance. This whistleblowing policy for noncompliance is a system that can serve as a channel for whistleblowers to communicate data and information regarding indications of violations within any company in Indika Energy Group.

XVI. EMPLOYEE AND MANAGEMENT SHARE OPTION PROGRAM

In February 2008, the shareholders approved the Employee and Management Stock Option Program (EMSOP). Issuance and distribution of options related to the EMSOP were implemented in three stages. The Board of Directors established the participants eligible for EMSOP. Total options amounting to 104,142,000 options were allocated in three stages: 31,242,500 in each of the first and second stages and 41,657,000 in the third stage. The options were nontransferable and non-tradeable.

Each of the options distributed in each stage was valid for five years as of the date of its issuance. The options are subject to a one-year vesting period, during which the participant may not exercise the option.The exercise price for the option was determined based on Listing Rule No. 1-A, as attached to the Decree of the Board of Directors of the Indonesia Stock Exchange (IDX) No. KEP-305/BEJ/07-2004 dated 19 July 2004. There are a maximum of two exercise periods a year.

Based on the Board of Directors Decision Letter No. 234/IE-BOD/VIII/2009 dated 11 August 2009 to the Board of Directors of the Indonesia Stock Exchange, the Board of Directors of the Company have agreed on an excercise price of Rp2,138. There were 101,092,000 outstanding options as of 31 December 2016. In 2016 there were no implementation related to employee and management stock options.

XVII. WHISTLEBLOWING SYSTEM

Since December 2013, the Company has set up a reporting system for violations or noncompliance. This non-compliance reporting policies (whistleblowing) is a system that can be used as media for complainants to submit data and information regarding the indications of violations in any of the companies in the Group Companies. This system was designed to avoid controversy or dispute between the parties involved and help to find the best solution to the problems that arise.

This complaints mechanisme is very important as violations that are not addressed have the potential to damage the reputation and public trust of any companies in the Group. Complaints from this whistleblowing system will get attention and be followed up on, including the imposition of appropriate penalties in order to provide a deterrent effect.

Employees of Group Companies who see any indication of violations and decide to file a report may aslo do so through their direct supervisor in accordance with prevailing rules and procedures.

With this reporting system for violations, all stakeholders in the Group Companies including employees, suppliers and the related general public can and should report violations of ethical business conduct of any company in the Group Companies. All reports on non-compliance will be followed up by fulfilling the criteria for a complaint, namely:

- Explain who, what, when, where, why and how.
- Submit initial evidence (data, documents, images and recordings) that support / explain the violation.
- Expected to provide source of data and information to substantiate the complaint. If the criteria are complete, the complainant (employees, suppliers and the related general public) can submit a complaint via the Company's whistleblowing website, or by mail addressed to the Board of Ethics.

The Company does not regard complainants as trouble makers, but as witnesses to an incident. Each input or violation will be followed up in a professional manner and the confidentiality of the reporter is fully guaranteed.

Each complainant will receive protection against the negative effects of retaliation for reporting violations of ethical business conduct in any company within the Group.

In 2016, the Company has not received any whistleblowing report.

XVIII. DIVERSITY OF BOARD OF COMMISSIONERS AND DIRECTORS

The values of the Company and the Company's Code of Business Conduct reflect the value of diversity, which applies to all individuals within the Group Company including the Board of Directors and Board of Commissioners. The values of the Company and the Code of Business Conduct explicitly states that employee diversity in the Group's companies includes diversity of gender, language, culture, religion, sexual orientation, social and economic status. Based on that foundation, the members of the Board of Directors and Board of Commissioners are appointed with consideration to fulfilling the requirements of diversity, including diversity in educational background, experience, age, and gender.


M0584

Implementation of Corporate Governance Guidelines Based on

POJK No.21/POJK.04/2015 and SEOJK No.32/SEOJK.04/2015

IMPLEMENTATION GOOD CORPORATE GOVERNANCE GUIDELINES FOR PUBLIC COMPANIES IN PT INDIKA ENERGY TBK.

A.	**RELATIONSHIP OF THE PUBLIC COMPANY WITH THE SHAREHOLDERS IN ENSURING THE SHAREHOLDERS' RIGHTS**	
	PRINCIPLE 1 IMPROVING THE VALUE OF GENERAL MEETING OF SHAREHOLDERS (GMS)	
1.1	Public company has technical procedures for opened or closed voting that promote independency and shareholders' interest	• The Company has complied with this recommendation. • Procedures on voting, whether opened or closed voting, is regulated under the Company's Articles of Association. • Voting mechanisms are part of the meeting procedures informed to the shareholders at the beginning of the General Meeting of Shareholders.
1.2	All members of the Board of Directors and the Board of Commissioners are present at the Annual GMS.	The Company has complied with this recommendation All members of the Board of Directors and the Board of Commissioners were present at the 2016 Annual GMS.
1.3	Summary of GMS minutes is available on the public company's website for no less than one year.	The Company has complied with this recommendation, issuing the extract of the GMS minutes on the website indefinitely.
	PRINCIPLE 2 IMPROVING COMMUNICATION QUALITY OF PUBLIC COMPANY WITH SHAREHOLDERS OR INVESTORS	
2.1	The public company has a communication policy with shareholders or investors.	The Company has a communication policy with shareholders or investors as recommended that includes, among others, Public Exposes and Road Shows.
2.2	The public company discloses its communication policy with shareholders or investors in the Company's official website.	The Company has disclosed its communication policy with shareholders or investors on the website including in the form of News Releases.

B.	**FUNCTION & ROLE OF THE BOARD OF COMMISSIONERS**	
	PRINCIPLE 3 STRENGTHENING THE MEMBERSHIP & COMPOSITION OF THE BOARD OF COMMISSIONERS	
3.1	Determination of the number of the Board of Commissioners members shall consider the condition of the public company.	The Company has complied with this recommendation in accordance with the provisions regulated in the Company's Articles of Association.
3.2	Determination of composition of the Board of Commissioners members considers the variety of expertise, knowledge and experiences required.	The Company has complied with this recommendation with reference to the relevant regulations.
	PRINCIPLE 4 STRENGTHENING THE MEMBERSHIP & COMPOSITION OF THE BOARD OF COMMISSIONERS	
4.1	The Board of Commissioners has a self-assessment policy to assess the performance of the Board of Commissioners.	The Company has complied with this recommendation in the form of periodic self assessments which are carried out through the Company's performance evaluation system.
4.2	Self assessment policy to assess the performance of the Board of Commissioners is disclosed in the Annual Report of public company.	The Company has not yet complied with this recommendation although self assessments are carried out yearly.
4.3	The Board of Commissioners has a policy with respect to the resignation of the Board of Commissioners members if a member is involved in financial crime.	The Company has complied with this recommendation, as contained in the Charter of the Board of Commissioners and Board Directors and the Code of Business Conduct.
4.4	The Board of Commissioners or Committee that conducts the nomination & remuneration function shall formulate the succession policy for the nomination process of the Board of Directors members.	The Company has complied with this recommendation. The Human Capital committee, which carries out the nomination & remuneration function, is also responsible for the succession policy and nominations of members of the Board of Directors.
C.	**FUNCTION & ROLE OF THE BOARD OF DIRECTORS**	
	PRINCIPLE 5 STRENGTHENING THE MEMBERSHIP & COMPOSITION OF THE BOARD OF DIRECTORS	
5.1	Determination of number of the Board of Directors members considers the condition of the public company and the effectiveness of decision-making.	The Company has complied with this recommendation in accordance with the provisions regulated in the Company's Articles of Association.
5.2	Determination of composition of the Board of Directors members considers the variety of expertise, knowledge and experience required.	The Company has complied with this recommendation with reference to the relevant regulations.
5.3	The members of the Board of Directors who supervise accounting or finance have accounting expertise and/or knowledge.	The Company has complied with this recommendation.
	PRINCIPLE 6 IMPROVING THE QUALITY OF JOB PERFORMANCE AND & RESPONSIBILITY OF THE BOARD OF DIRECTORS	
6.1	The Board of Directors has a self-assessment policy to assess its performance	The Company has complied with this recommendation in the form of periodic *self assessment*s which are carried out through the Company's performance evaluation system.
6.2	Self-assessment policy to assess the performance of the Board of Directors is disclosed in the Annual Report of the public company.	The Company already has a *self assessment* policy to assess the performance of the Board of Directors but it is only partially disclosed in the Annual Report.
6.3	The Board of Directors has a policy related to resignation of the Board of Directors members if involved in financial crime.	The Company has complied with this recommendation, as set forth in the Charter of the Board of Commissioners and Directors.

D. STAKEHOLDERS PARTICIPATION

PRINCIPLE 7
IMPROVING GOOD CORPORATE GOVERNANCE ASPECT THROUGH STAKEHOLDER PARTICIPATION

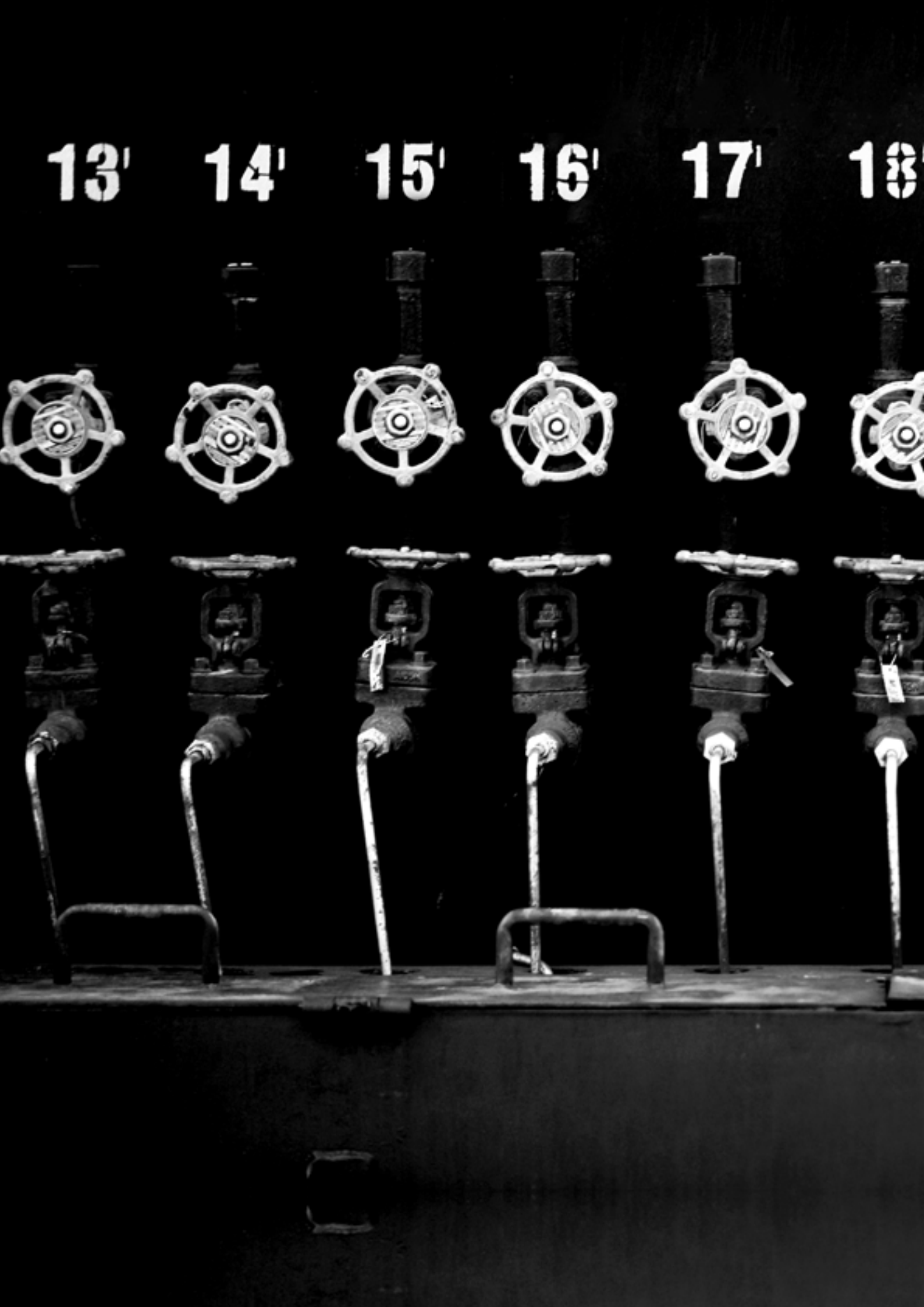
7.1	The public company has a policy to prevent insider trading.	The Company has complied with this recommendation in the Company's Code of Business Conduct.
7.2	The public company has an anti-corruption and anti-fraud policy.	The Company has complied with this recommendation in the Company's Code of Business Conduct and the Board of Commissioners and Board of Directors Charter.
7.3	The public company has policies concerning the selection and capability improvement of supplies and vendors.	The Company has complied with this recommendation with the existence of a vendor SOP.
7.4	The public company has a policy concerning the fulfillment of creditors' right.	Creditors' rights are stipulated in the agreements between the Company and respective creditors.
7.5	The public company has a whistleblowing system policy.	The Company has established a whistleblowing policy as disclosed in the Company's Annual Report.
7.6	The public company has a long-term incentive policy for the Board of Directors and employees.	The Company has long-term incentives for employees (including the Board of Directors) who meet certain conditions.

E. DISCLOSURE OF INFORMATION

PRINCIPLE 8
IMPROVING THE IMPLEMENTATION OF INFORMATION DISCLOSURE

8.1	Public company uses information technology more broadly other than the website as a media for information disclosure.	The Company has not complied yet with this recommendation because the Company considers that disclosure of information through the Company's official website is sufficient.
8.2	The Annual Report of the public company discloses the ultimate beneficiaries for share ownership in the public company of at least 5%, other than disclosure of the ultimate beneficiaries of share ownership in the public company through the major and controlling shareholders.	The Company has complied with this recommendation by disclosing the structure of majority and controlling shareholders in the Annual Report.


CATERPILLAR
M0575


13'
14'
15'
16'
17'

HUMAN CAPITAL

Human capital is the most critical factor in determining Indika Energy's performance. The Human Capital Department is therefore tasked with recruiting, developing and retaining high performing talent, in alignment with the Company's objectives and values. It is also take primary role for providing input, advise and execution in organizing staff and managing the human capital with respect to organization effectiveness.

As of December 31, 2016, Indika Energy had 114 employees, compared with 290 employees in 2015. The total number of employees in the Group stood at 5,540 employees, compared with 8,396 employees in 2014.

INITIATIVES IN 2016

At the beginning of 2016, after due review of business needs and planning in the previous year, Indika Energy rationalized its organizational structure to increase its efficiency in the midst of the adverse business climate and intensified pressure on margins. Where possible, functions were also consolidated, for example the Good Corporate Governance Committee and the Audit Committee were merged, with the Good Corporate Governance and Audit Committee functions now performed by the same group of people.

Adjustments to the organizational structure moreover took place at certain subsidiaries, along with a reexamination of Key Performance Indicators (KPI) and associated remuneration to effectively guide and measure the performance of employees in line with the needs and strategy of the businesses. These initiatives were part of a Group-wide cost reduction initiative, the full benefit of which will be felt in 2017.

Furthermore, all Group employees were encouraged to increase productivity and utilization of assets, within the framework of Operational Excellence and Leadership. The operating companies therefore continued to invest in training and competency development as needed, in order to strengthen their human capital. At Petrosea, Tripatra and in particular MBSS, operational employees engaged in extensive safety training, and MBSS crew were all recertified in compliance with new government regulations. These efforts are aligned with Indika Energy's emphasis on world-class operational standards.

PERFORMANCE EVALUATION & LEADERSHIP COMPETENCIES

Employees at all Indika Energy companies are subject to periodic performance evaluations based on KPI that have been established at the corporate level and then cascaded down to each individual, thus ensuring that individual performance is aligned with the objectives of the Company as a whole.

In addition, employees are encouraged to develop leadership competencies with reference to Indika Energy's Leadership Framework, which sets out the expectations and standards for behaviors, skills and competencies that support Indika Energy's mission, vision and ambitions in a way that is consistent with its values. These Leadership competencies have also been incorporated into performance management measures to help create leaders that can advance the Company.

EMPLOYEE COMMUNICATION AND ENGAGEMENT

Indika Energy values a culture of open, two-way communications. The management provides information to employees through a number of channels including email, publications and Town Hall meetings where employees can ask questions and voice concerns.

In preparing to make organizational changes, these need for them and the process as well as the timing was proactively communicated to employees well in advance in order to manage the process and expectation as smoothly as possible, and to keep remaining employees engaged and focused on advancing the Company.

CORPORATE VALUES AND CODE OF ETHICS

Indika Energy Group expects that all employees will work together to implement corporate governance in accordance with the values of the Company. All employees are expected to understand and implement Indika Energy's corporate values, as follows:

- Integrity: Honest with oneself, others and one's work at every moment by upholding prevailing ethical standards and legal norms.
- Unity in Diversity: Viewing diversity as an asset to the Company and accepting, valuing, completing and strengthening one another as a solidly unified entity.
- Teamwork: Actively contributing and collaborating based on trust and shared interests rather than personal interests.
- Achievement: Success to be measured by achievement, as the motivation to do the best for the Company.
- Social Responsibility: Highly concerned for the environment and community, and contributing added value as well as contributing to the prosperity of society.

In addition, all employees are expected to understand and exhibit ethical conduct in the workplace, with reference to the Company's Code of Business Conduct. The Company has issued a handbook that discusses the values and actions that should be implemented by all employees towards creating an ethical and conducive work environment. This handbook includes policies on corporate business ethics and the code of conduct that employees of Indika Energy Group must comply with, as employees' behavior and actions can either build up or ruin the company's reputation. Employees who violate the Code of Conduct shall be subject to disciplinary sanctions as provided for by each company within Indika Energy Group.

EMPLOYER OF CHOICE

Indika Energy maintains its image as an employer of choice by providing safe, healthy and attractive working conditions so as to be able to retain high quality candidates, and support the productivity of its existing human resources. Indika Energy also practices equal opportunity hiring and career advancement, regardless of gender, race or religion, except for positions which entail certain physical requirements.

EMPLOYEE STATISTICS

BY LEVEL

LEVEL	2015	2016
Board of Commissioners – Board of Directors	45	40
Executives	49	47
Manager	274	260
Supervisor	1,594	1,270
Staff	2,263	801
Non-Staff	4,171	3,122
Total	**8,396**	**5,540**

BY EDUCATION

EDUCATION	2015	2016
Doctorate/PhD.	4	3
Master	244	144
Sarjana	2,213	1,468
Diploma	605	415
SMA	5,330	3,510
Total	**8,396**	**5,540**




KESENIAN
ILMU ILMU SOSIAL
ILMU-ILMU MURNI

Corporate Social Responsibility

INTEGRATING SUSTAINABILITY

Indika Energy realizes the importance of maintaining the continuity of its business operations in order to deliver benefits to all stakeholders, now and in the future. Continuity, for Indika Energy, means consistently managing risk for the sake of competitive advantage, meeting stakeholder expectations with a strategy that efficiently grows value in accordance with social values.

Each strategic business decision taken by the Company is aligned with efforts to implement a comprehensive approach to sustainability, both in the Company's operational areas as well at a national level. Together with the subsidiaries within the Group, in 2016 Indika Energy continued to improve performance through operational efficiencies, driving productivity and asset utilization, as well as contributing through national strategic projects to the economic development of the nation.

Indika Energy also fulfilled its responsibility as a good corporate citizen through the implementation of various sustainability programs based on the 3 + 1 pillars covering education, health, community empowerment and environment. In this way, Indika Energy can expand the effectiveness and positive impact of the Company's energy business to far exceed its aim of delivering economic benefits for all stakeholders.

In 2016, Indika Energy strengthened collaboration with its subsidiaries in an effort to ensure that all corporate sustainability programs are aligned with the aim of eliciting social license and as a form of strategic invention in support of the business, moreover ensuing optimal benefit from the implementation of each program and supporting the sustainability of the communities living in the operational areas of the Company.

Indika Energy is confident that all of its strategic business decisions are in line with efforts to implement a comprehensive approach to sustainability, both in the Company's operational areas as well as at the national level. The Company also initiated the establishment of Indika Foundation as the umbrella for Indika Group's sustainability program management, for multiplied impact on the lives of beneficiaries.

EDUCATION

In alignment with the United Nations Millennium Development Goals (MDGs), Indika Energy collaborated with Yayasan Pemimpin Anak Bangsa (YPAB) Foundation, a non-profit organization, in providing Package A (equivalent to elementary school), Package B (equivalent to junior high), and Package C (equivalent to high school) educational equivalency programs, by holding a computer literacy program for school drop outs at two YPAB Learning House in Bintaro, South Tangerang and Tanah Abang, Jakarta.

Indika Energy also supports Sokola, an association that facilitates community-based education for indigenous or native students using alternative methods, in running a literacy and educational assistance program in Sumber Candik, Jember, East Java. More than 100 students, ranging in age from age from pre-schoolers to senior citizens, have benefited from this program and gained access to education.

In 2016, Indika Energy Group once again gave scholarships to employees' children, who were selected through the Indika Energy Beasiswa Cerdaskan Anak Bangsa program. This scholarship program is a manifestation of the Company's appreciation for the loyalty, dedication and hard work of its employees and is expected to motivate the employees' children to perform better and continue their education to a higher level. Since it began in 2012, more than 500 children were benefited from this program.

HEALTH

Indika Energy regards health improvements as part of its efforts

to improve the quality of human resources, as an important investment that supports the economic development of communities. This is the reason as to why health is one of the Company's main concerns in operational areas, as one of the Company's avenues to empowering communities.

MBSS also carried out health care quality improvements in 2016 through a social service program called Bakti Sosial Susur Sungai Barito, which provided health check-ups, dental services, services for pregnant women and children under 5 in collaboration with local health authorities in the area around South Barito, Central Kalimantan.

Whereas Petrosea focused on health education, which carried out among others through a program that strengthened clean and healthy behavior among more than 400 families around the Petrosea Offshore Supply Base (POSB) projects in Kariangau. Petrosea also prioritized improvements in public health, especially for children, by supporting programs to improve Posyandu health clinic cadres' capacity as well as through public health campaigns in Batu Kajang, East Kalimantan.

COMMUNITY EMPOWERMENT

The creation of self-reliant communities is next target of Indika Energy's sustainability program. Amidst the economic limitations and challenges facing communities, Indika Energy acts to help people empower themselves and realize their full capacity.

Since 2014, Indika Energy has collaborated with Indorelawan, a foundation that connects social organizations and volunteers through an online volunteer management platform with more than 30 thousand active volunteers. Through this site, social organizations or communities can seek and manage volunteers as needed. Whereas volunteers can select activities based on their interests, location and time.

Indika Energy subsidiary Petrosea also carried out community development and empowerment the around the Kideco Jaya Agung project in Paser, East Kalimantan, to produce a bottom plug, a simple tool that is needed in the blasting process. Petrosea then buys the products produced by the local community at a much more competitive price. Currently more than 3,000 bottom plugs are produced each month. In addition, Petrosea also helped them to expand their market for bottom plug is collaboration with other contractors at the Kideco Jaya Agung project.

Tripatra aimed to address the same issues in Cepu, East Java, which is one of its work project locations. Tripatra donated office furniture, medical supplies, and water storage tanks to various institutions which needed them, such as the Indonesian Red Cross.

ENVIRONMENT

As a Company engaged in the energy sector, Indika Energy's activities involve development of natural resources as well as the use of resources such as coal and other fuels to generate energy as a fundamental requirement all over the world, while continuing to minimize the potential negative impact of the Company's operations on the environment.

In 2016, Indika Energy supported Yayasan Scorpion Indonesia, which focuses on protection and conservation of the environment, including protected wildlife in Indonesia. Together with the Ministry of Environment and Forestry and Yayasan Scorpion Indonesia, Indika Energy facilitated the return of nine gibbons, a protected wildlife species, to their native habitat in Sumatra.

Indika Energy believes that maintaining and preserving a clean, safe, and healthy environment can go hand in hand in meeting the world's energy demand. The Company's efforts to realize this includes continuous evaluation and improvement of work processes to reduce pollution and waste, conserve natural resources and minimize potential negative impacts of the activities and operations on the environment.

The Company's commitment and efforts to realize it are visible at Indika Energy affiliate company Cirebon Electric Power (CEP), a 660 MW coal-fired power generation plant in Cirebon, West Java, which has been operating stably for four years. The Cirebon power plant uses supercritical boiler technology that consumes less coal and produces lower emissions. The use of environmentally friendly technology is one of the advantages Cirebon power plant, which subsequently won the "Asia Coal Power Project of the Year" award at the Asian Power Awards 2016 in Seoul, South Korea.


ENSIKLOPEDIA
GEOGRAFI
Anak
PETROBRA


PETROBRA
M0584
CATERPILLA
CAT
PETROBRA

Subsequent Events

- On January 30, 2017, the Company held an Extraordinary General Meeting of Shareholders. The Meeting resolution accepted the resignation of Bapak Wishnu Wardhana as President Commissioner, and appointed Bapak Agus Lasmono as the replacement.
- On January 31, 2017, MUTU entered into agreement with PT Mitra Abadi Mahakam pertaining the termination of contract mining services. Based on the agreement, the parties agreed that mining service contract would be terminated effective on January 31, 2017. All rights and obligations as mentioned in the initial mining service contract have been terminated since January 31, 2017.
- In January and February 2017, ICI entered into various commitments to deliver approximately 4.2 million metric tonnes of coal to various buyers, subject to price agreements. The coal will be delivered periodically in 2017.
- In February 2017, MUTU entered into a Memorandum of Understanding with PT Madhani Talatah Nusantara for stripping of overburden and mining of coal services.


HALLIBURTO
CAPACITY 750 B
HALLIBURTO
CAPACITY 750 B
HAL
CAPA
3
4
HYDRANT

FINANCIAL STATEMENTS



This page is intentionally left blank.

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK/
PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES

LAPORAN KEUANGAN KONSOLIDASIAN/
CONSOLIDATED FINANCIAL STATEMENTS
DAN INFORMASI TAMBAHAN/
AND SUPPLEMENTARY INFORMATION

UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2016 DAN 2015/
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

DAN LAPORAN AUDITOR INDEPENDEN/
AND INDEPENDENT AUDITORS' REPORT

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK
DAFTAR ISI

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
TABLE OF CONTENTS

	Halaman/ *Page*	
SURAT PERNYATAAN DIREKSI		DIRECTORS' STATEMENT LETTER
LAPORAN AUDITOR INDEPENDEN		INDEPENDENT AUDITORS' REPORT
LAPORAN KEUANGAN KONSOLIDASIAN - Untuk tahun-tahun yang berakhir 31 Desember 2016 dan 2015		CONSOLIDATED FINANCIAL STATEMENTS - For the years ended December 31, 2016 and 2015
Laporan Posisi Keuangan Konsolidasian	1	Consolidated Statements of Financial Position
Laporan Laba Rugi dan Penghasilan Komprehensif Lain Konsolidasian	3	Consolidated Statements of Profit or Loss and Other Comprehensive Income
Laporan Perubahan Ekuitas Konsolidasian	4	Consolidated Statements of Changes in Equity
Laporan Arus Kas Konsolidasian	5	Consolidated Statements of Cash Flows
Catatan Atas Laporan Keuangan Konsolidasian	6	Notes to Consolidated Financial Statements
INFORMASI TAMBAHAN		SUPPLEMENTARY INFORMATION
I. Laporan Posisi Keuangan Tersendiri - Entitas Induk		I. Statements of Financial Position – Parent Entity Only
II. Laporan Laba Rugi dan Penghasilan Komprehensif Lain Tersendiri - Entitas Induk		II. Statements of Profit or Loss and Other Comprehensive Income - Parent Entity Only
III. Laporan Perubahan Ekuitas - Entitas Induk		III. Statements of Changes in Equity - Parent Entity Only
IV. Laporan Arus Kas Tersendiri – Entitas Induk		IV. Statements of Cash Flows - Parent Entity Only
V. Catatan Investasi Entitas Induk dalam Entitas Anak		V. Note on Parent Entity's Investments in Subsidiaries

PT INDIKA ENERGY Tbk
DAN ENTITAS ANAK
SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN KONSOLIDASIAN UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2016 DAN 2015

PT INDIKA ENERGY Tbk
AND SUBSIDIARIES
DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

Kami yang bertanda tangan dibawah ini/
We, the undersigned:

1. Nama/*Name*	:	M. Arsjad Rasjid P.M.
Alamat kantor/*Office address*	:	Mitra Building 3rd Floor Jl. Jend. Gatot Subroto Kav.21 Jakarta
Alamat domisili sesuai KTP atau kartu indentitas lain/*Domicile as stated in ID Card*	:	Apartemen The Capital Residence SCBD Kebayoran Baru Jakarta Selatan
Nomor telepon/*Phone number*	:	(+62) (21) 25579888
Jabatan/*Position*	:	Direktur Utama / *President Director*
2. Nama/*Name*	:	Azis Armand
Alamat kantor/*Office address*	:	Mitra Building 3rd Floor Jl. Jend. Gatot Subroto Kav.21 Jakarta
Alamat domisili sesuai KTP atau kartu indentitas lain/*Domicile as stated in ID Card*	:	Jl. Rajasa 1 No.146 RT/RW: 009/003, Selong Kebayoran Baru Jakarta Selatan
Nomor telepon/*Phone number*	:	(+62) (21) 25579888
Jabatan/*Position*	:	Direktur / *Director*

menyatakan bahwa/*state that:*

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian;
2. Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian telah dimuat secara lengkap dan benar;
   b. Laporan keuangan konsolidasian tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;

1. We are responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the consolidated financial statements is complete and correct;
   b. The consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts;

4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan dan entitas anak.	4. We are responsible for the Company and its subsidiaries internal control system.
Demikian pernyataan ini dibuat dengan sebenarnya.	This statement letter is made truthfully.

Jakarta, 8 Maret/ *March 8*, 2017

Direktur Utama / *President Director*	Direktur / *Director*
M. Arsjad Rasjid P.M.	Azis Armand

Deloitte.

Satrio Bing Eny & Rekan
Registered Public Accountants
License No. 89/KM.1/2017
The Plaza Office Tower 32nd Floor
Jl. M.H. Thamrin Kav 28-30
Jakarta 10350
Indonesia

Tel: +62 21 2992 3100
Fax: +62 21 2992 8200, 2992 8300
Email: iddtt@deloitte.com
www.deloitte.com/id

Laporan Auditor Independen

No. GA117 0104 IE HA

Pemegang Saham, Dewan Komisaris dan Direksi

PT. Indika Energy Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT. Indika Energy Tbk ("Perusahaan") dan entitas anak terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2016, serta laporan laba rugi dan penghasilan komprehensif lain konsolidasian, laporan perubahan ekuitas konsolidasian dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung Jawab Manajemen atas Laporan Keuangan Konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung Jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit berdasarkan Standar Auditing yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian atas risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Independent Auditors' Report

No. GA117 0104 IE HA

The Stockholders, Boards of Commissioners and Directors

PT. Indika Energy Tbk

We have audited the accompanying consolidated financial statements of PT. Indika Energy Tbk (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on such consolidated 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 the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/id/about to learn more about our global network of member firms.

Member of Deloitte Touche Tohmatsu Limited

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT. Indika Energy Tbk dan entitas anaknya pada tanggal 31 Desember 2016, serta kinerja keuangan dan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal Lain

Audit kami atas laporan keuangan konsolidasian Perusahaan dan entitas anaknya pada tanggal 31 Desember 2016 dan untuk tahun yang berakhir pada tanggal tersebut, dilaksanakan dengan tujuan untuk merumuskan suatu opini atas laporan keuangan konsolidasian tersebut secara keseluruhan. Informasi keuangan Perusahaan (entitas induk) terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2016, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, laporan arus kas, dan catatan investasi entitas induk dalam entitas anak untuk tahun yang berakhir pada tanggal tersebut (secara kolektif disebut sebagai "Informasi Keuangan Entitas Induk"), yang disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian terlampir, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian terlampir yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi Keuangan Entitas Induk merupakan tanggung jawab manajemen serta dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan konsolidasian terlampir. Informasi Keuangan Entitas Induk telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian terlampir berdasarkan Standar Auditing yang ditetapkan oleh Institut Akuntan Publik Indonesia. Menurut opini kami, Informasi Keuangan Entitas Induk disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian terlampir secara keseluruhan.

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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT. Indika Energy Tbk and its subsidiaries as of December 31, 2016, and their consolidated financial performance and their cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Other Matter

Our audits of the accompanying consolidated financial statements of the Company and its subsidiaries as of December 31, 2016 and for the year then ended, were performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of the Company (parent entity), which comprises the statement of financial position as of December 31, 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, and note on parent entity's investments in subsidiaries for the year then ended (collectively referred to as "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purposes of additional analysis and is not required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

SATRIO BING ENY & REKAN



Henri Arifian
Izin Akuntan Publik/*Public Accountant License* No. AP.0561

8 Maret/*March 8*, 2017

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN KONSOLIDASIAN
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	Catatan/ *Notes*	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
		US$	US$	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	5	244.390.164	259.032.201	Cash and cash equivalents
Aset keuangan lainnya	6	63.683.819	80.085.782	Other financial assets
Piutang usaha	7			Trade accounts receivable
Pihak berelasi	49	7.336.484	19.780.511	Related parties
Pihak ketiga - setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 1.881.918 tanggal 31 Desember 2016 dan US$ 2.300.054 tanggal 31 Desember 2015		103.078.410	147.322.497	Third parties - net of allowance for impairment losses of US$ 1,881,918 as of December 31, 2016 and US$ 2,300,054 as of December 31, 2015
Piutang belum ditagih	8			Unbilled receivables
Pihak berelasi	49	2.002.620	129.785	Related parties
Pihak ketiga		1.936.675	764.538	Third parties
Selisih lebih estimasi pendapatan diatas tagihan kemajuan kontrak	9	108.055.739	143.731.070	Estimated earnings in excess of billings on contracts
Piutang lain-lain yang jatuh tempo dalam satu tahun				Current maturities of other accounts receivable
Pihak berelasi	49	7.463.133	3.705.409	Related parties
Pihak ketiga - setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 1.500.000 tanggal 31 Desember 2016 dan nihil tanggal 31 Desember 2015		4.014.091	7.940.557	Third parties - net of allowance for impairment losses of US$ 1,500,000 as of December 31, 2016 and nil as of December 31, 2015
Persediaan - setelah dikurangi penyisihan penurunan nilai persediaan sebesar US$ 4.663.812 tanggal 31 Desember 2016 dan US$ 1.224.180 tanggal 31 Desember 2015	10	8.912.188	9.652.095	Inventories - net of allowance for decline in value of US$ 4,663,812 as of December 31, 2016 and US$ 1,224,180 as of December 31, 2015
Pajak dibayar dimuka	11	59.501.235	91.407.925	Prepaid taxes
Aset lancar lainnya	12	56.218.637	43.606.028	Other current assets
Sub-jumlah		666.593.195	807.158.398	Sub-total
Aset dimiliki untuk dijual - bersih	1c, 21, 41	843.038	20.153.293	Assets held for sale - net
Jumlah Aset Lancar		667.436.233	827.311.691	Total Current Assets
ASET TIDAK LANCAR				NONCURRENT ASSETS
Rekening yang dibatasi penggunaannya		3.792.371	291.657	Restricted cash
Piutang lain-lain setelah dikurangi bagian yang jatuh tempo dalam satu tahun				Other accounts receivable - net of current maturities
Pihak berelasi - setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 1.888.868 tanggal 31 Desember 2016 dan US$ 1.839.712 tanggal 31 Desember 2015	49	24.415.240	35.712.307	Related parties - net of allowance for impairment losses of US$ 1,888,868 as of December 31, 2016 and US$ 1,839,712 as of December 31, 2015
Pihak ketiga		3.128.454	1.950.460	Third parties
Klaim pengembalian pajak	14	12.024.952	23.128.834	Claims for tax refund
Aset eksplorasi dan evaluasi - setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 21.338.795 tanggal 31 Desember 2016 dan 2015	15	777.142	7.276.970	Exploration and evaluation assets - net of impairment losses of US$ 21,338,795 as of December 31, 2016 and 2015
Properti pertambangan - setelah dikurangi akumulasi amortisasi sebesar US$ 9.444.844 tanggal 31 Desember 2016 dan US$ 7.264.643 tanggal 31 Desember 2015	16	18.437.706	13.393.606	Mining properties - net of accumulated amortization of US$ 9,444,844 as of December 31, 2016 and US$ 7,264,643 as of December 31, 2015
Aset aktivitas pengupasan lapisan tanah		785.464	2.308.390	Stripping activity assets
Investasi pada entitas asosiasi	13	260.422.206	277.545.435	Investments in associates
Investasi pada pengendalian bersama entitas	17	10.832.519	13.026.000	Investments in jointly-controlled entity
Uang muka dan aset tidak lancar lainnya	19	9.998.898	8.454.932	Advances and other noncurrent assets
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar US$ 499.292.858 tanggal 31 Desember 2016 dan US$ 470.028.808 tanggal 31 Desember 2015 dan setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 6.411.854 tanggal 31 Desember 2016 dan US$ 4.453.661 tanggal 31 Desember 2015	20	518.071.372	596.387.117	Property, plant and equipment - net of accumulated depreciation of US$ 499,292,858 as of December 31, 2016 and US$ 470,028,808 as of December 31, 2015 and allowance for impairment losses of US$ 6,411,854 as of December 31, 2016 and US$ 4,453,661 as of December 31, 2015
Aset tidak berwujud - setelah dikurangi akumulasi sebesar US$ 196.449.359 tanggal 31 Desember 2016 dan US$ 168.268.609 tanggal 31 Desember 2015 dan setelah dikurangi cadangan kerugian penurunan nilai sebesar US$ 53.609.980 tanggal 31 Desember 2016 dan US$ 30.211.797 tanggal 31 Desember 2015	22	167.781.402	218.884.208	Intangible assets - net of accumulated amortization of US$ 196,449,359 as of December 31, 2016 and US$ 168,268,609 as of December 31, 2015 and allowance for impairment losses of US$ 53,609,980 as of December 31, 2016 and US$ 30,211,797 as of December 31, 2015
Goodwill	23	120.235.296	120.235.296	Goodwill
Uang jaminan		3.820.578	4.105.376	Refundable deposits
Aset pajak tangguhan	43	373.236	432.932	Deferred tax assets
Jumlah Aset Tidak Lancar		1.154.896.836	1.323.133.520	Total Noncurrent Assets
JUMLAH ASET		1.822.333.069	2.150.445.211	TOTAL ASSETS

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

	Catatan/ *Notes*	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
		US$	US$	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang bank	24	77.863.574	206.015.295	Bank loans
Utang usaha	25			Trade accounts payable
Pihak berelasi	49	64.246	273.217	Related parties
Pihak ketiga		115.780.509	124.195.804	Third parties
Selisih lebih tagihan kemajuan kontrak diatas estimasi pendapatan	9	23.717.338	33.166.753	Billings in excess of estimated earnings recognized
Utang lain-lain				Other accounts payable
Pihak berelasi	49	1.259.778	211.835	Related parties
Pihak ketiga		2.814.314	1.888.674	Third parties
Utang pajak	26	4.422.484	8.025.658	Taxes payable
Biaya masih harus dibayar	27	38.446.609	70.928.113	Accrued expenses
Uang muka pelanggan		3.963.455	7.396.251	Advances from customers
Utang dividen		226.772	378.653	Dividends payable
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun				Current maturities of long-term liabilities
Pinjaman jangka panjang	28	21.847.065	18.292.014	Long-term loans
Liabilitas sewa pembiayaan	29	6.859.968	19.074.671	Lease liabilities
Utang obligasi	30	15.715.599	15.765.900	Bonds payable
Jumlah Liabilitas Lancar		312.981.711	505.612.838	Total Current Liabilities
LIABILITAS JANGKA PANJANG				NONCURRENT LIABILITIES
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun				Long-term liabilities - net of current maturities
Pinjaman jangka panjang	28	18.267.630	52.386.572	Long-term loans
Liabilitas sewa pembiayaan	29	9.759.327	9.567.165	Lease liabilities
Utang obligasi - bersih	30	654.958.556	649.115.106	Bonds payable - net
Utang jangka panjang - pihak ketiga		4.879	1.350.110	Other long-term liability - third party
Liabilitas pajak tangguhan	43	57.889.627	74.333.754	Deferred tax liabilities
Uang muka dari pihak berelasi	49	-	1.729.954	Advances from a related party
Imbalan kerja	31	27.361.771	24.805.304	Employment benefits
Jumlah Liabilitas Tidak Lancar		768.241.790	813.287.965	Total Noncurrent Liabilities
Jumlah Liabilitas		1.081.223.501	1.318.900.803	Total Liabilities
EKUITAS				EQUITY
Modal saham - nilai nominal Rp 100 per saham				Capital stock - Rp 100 par value per share
Modal dasar - 17.000.000.000 saham				Authorized - 17,000,000,000 shares
Modal ditempatkan dan disetor - 5.210.192.000 saham pada 31 Desember 2016 dan pada 31 Desember 2015	32	56.892.154	56.892.154	Subscribed and paid-up - 5,210,192,000 shares at December 31, 2016 and 2015
Tambahan modal disetor	33	253.074.906	250.847.921	Additional paid-in capital
Komponen ekuitas lainnya	1d,34	64.424.869	61.833.711	Other components of equity
Saldo laba				Retained earnings
Dicadangkan		5.312.496	5.312.496	Appropriated
Tidak dicadangkan		209.537.805	277.131.887	Unappropriated
Jumlah ekuitas yang dapat diatribusikan kepada pemilik entitas induk		589.242.230	652.018.169	Total equity attributable to owners of the Company
Kepentingan non-pengendali	34	151.867.338	179.526.239	Non-controlling interests
Jumlah Ekuitas		741.109.568	831.544.408	Total Equity
JUMLAH LIABILITAS DAN EKUITAS		1.822.333.069	2.150.445.211	TOTAL LIABILITIES AND EQUITY

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK
LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Catatan/ *Notes*	2016	2015	
		US$	US$	
PENDAPATAN	35,49	775.232.931	1.097.296.489	REVENUES
BEBAN POKOK KONTRAK DAN PENJUALAN	36,49	(686.531.106)	(1.008.966.857)	COST OF CONTRACTS AND GOODS SOLD
LABA KOTOR		88.701.825	88.329.632	GROSS PROFIT
Bagian laba bersih entitas asosiasi dan pengendalian bersama entitas	13,17	59.464.493	72.629.159	Equity in net profit of associates and jointly-controlled entity
Pendapatan investasi	38,49	5.018.976	9.811.502	Investment income
Beban penjualan, umum dan administrasi	37	(98.818.007)	(103.752.957)	Selling, general and administrative expenses
Beban keuangan	39	(60.425.661)	(71.464.448)	Finance cost
Penurunan nilai aset	41	(30.307.542)	(57.212.802)	Impairment of assets
Amortisasi aset tidak berwujud	22	(25.989.949)	(35.213.565)	Amortization of intangible assets
Beban pajak final	42	(10.957.129)	(15.551.917)	Final tax
Lain-lain - bersih	40	(41.693.989)	24.550.877	Others - net
RUGI SEBELUM PAJAK		(115.006.983)	(87.874.519)	LOSS BEFORE TAX
MANFAAT PAJAK	43	10.776.257	11.027.491	TAX BENEFIT
RUGI BERSIH TAHUN BERJALAN		(104.230.726)	(76.847.028)	LOSS FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Pos-pos yang tidak akan direklasifikasi ke laba rugi:				*Item that will not be reclassified subsequently to profit or loss:*
Pengukuran kembali atas program imbalan pasti	31, 34	(16.329)	1.705.547	Remeasurement of defined benefits obligation
Pos-pos yang akan direklasifikasi ke laba rugi:				*Items that may be reclassified subsequently to profit or loss:*
Selisih kurs karena penjabaran laporan keuangan		69.800	42.131	Translation adjustments
Keuntungan yang belum direalisasi atas instrumen keuangan derivatif *(hedging reserve)*	13	1.610.911	1.082.698	Unrealized gain on derivative financial instrument (hedging reserve) of an associate
Jumlah penghasilan komprehensif lain tahun berjalan setelah pajak		1.664.382	2.830.376	Total other comprehensive income for the current year, net of tax
JUMLAH RUGI KOMPREHENSIF TAHUN BERJALAN		(102.566.344)	(74.016.652)	TOTAL COMPREHENSIVE LOSS FOR THE YEAR
RUGI YANG DAPAT DIATRIBUSIKAN KEPADA:				LOSS ATTRIBUTABLE TO:
Pemilik entitas induk	45	(67.594.082)	(44.587.878)	Owners of the Company
Kepentingan non-pengendali	34	(36.636.644)	(32.259.150)	Non-controlling interest
Jumlah		(104.230.726)	(76.847.028)	Total
JUMLAH RUGI KOMPREHENSIF YANG DAPAT DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:
Pemilik entitas induk		(65.929.700)	(41.757.502)	Owners of the Company
Kepentingan non-pengendali		(36.636.644)	(32.259.150)	Non-controlling interests
Jumlah		(102.566.344)	(74.016.652)	Total
RUGI PER SAHAM	45			LOSS PER SHARE
Dasar		(0,0130)	(0,0086)	Basic
Dilusian		(0,0130)	(0,0086)	Diluted

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK
LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

	Catatan/ *Note*	Modal disetor/ *Capital stock*	Tambahan modal disetor/ *Additional paid-in capital*	Komponen Ekuitas Lainnya/*Other Components of Equity*: Keuntungan (kerugian) yang belum direalisasi atas instrumen keuangan derivatif *(hedging reserve)* / *Unrealized gain (loss) on derivative financial instrument (hedging reserve)*	Komponen Ekuitas Lainnya: Modal lain-lain - opsi saham karyawan (Catatan 44)/ *Other capital - employee stock option (Note 44)*	Komponen Ekuitas Lainnya: Akumulasi selisih kurs penjabaran laporan keuangan/ *Cumulative translation adjustments*	Komponen Ekuitas Lainnya: Pengukuran kembali atas program imbalan pasti sesuai dengan PSAK 24, Imbalan Kerja/ *Remeasurement of defined benefits liability in accordance with PSAK 24, Employee Benefit*	Pengalihan kembali saham/ *Shares refloat*	Ekuitas lainnya/ *Other equity*	Saldo laba/ *Retained earnings*: Dicadangkan/ *Appropriated*	Saldo laba/ *Retained earnings*: Tidak dicadangkan/ *Unappropriated*	Ekuitas yang dapat diatribusikan kepada pemilik entitas induk/ *Equity attributable to owners of the Company*	Kepentingan non-pengendali/ *Non-controlling interests*	Jumlah ekuitas/ *Total equity*	
		US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	
Saldo per 1 Januari 2015		56.892.154	250.847.921	(6.900.661)	7.816.296	(658.773)	1.562.113	57.184.360	-	5.312.496	321.719.765	693.775.671	220.166.107	913.941.778	Balance as of January 1,2015
Rugi bersih tahun berjalan		-	-	-	-	-	-	-	-	-	(44.587.878)	(44.587.878)	(32.259.150)	(76.847.028)	Loss for the year
Penghasilan komprehensif lain															Other comprehensive income (loss)
Keuntungan aktuaria atas kewajiban manfaat pasti	31, 34	-	-	-	-	-	1.705.547	-	-	-	-	1.705.547	-	1.705.547	Actuarial gains on defined benefits obligation
Keuntungan yang belum direalisasi atas instrumen keuangan derivatif *(hedging reserve)*	13. 34	-	-	1.082.698	-	-	-	-	-	-	-	1.082.698	-	1.082.698	Share in unrealized gain on derivative financial instrument (hedging reserve) of an associate
Akumulasi selisih kurs penjabaran laporan keuangan	34	-	-	-	-	42.131	-	-	-	-	-	42.131	-	42.131	Cumulative translation adjustments
Jumlah rugi komprehensif		-	-	1.082.698	-	42.131	1.705.547	-	-	-	(44.587.878)	(41.757.502)	(32.259.150)	(74.016.652)	Total comprehensive loss
Dividen entitas anak		-	-	-	-	-	-	-	-	-	-	-	(8.380.718)	(8.380.718)	Dividend distributed by subsidiaries to non-controlling interests
Saldo per 31 Desember 2015		56.892.154	250.847.921	(5.817.963)	7.816.296	(616.642)	3.267.660	57.184.360	-	5.312.496	277.131.887	652.018.169	179.526.239	831.544.408	Balance as of December 31, 2015
Rugi bersih tahun berjalan		-	-	-	-	-	-	-	-	-	(67.594.082)	(67.594.082)	(36.636.644)	(104.230.726)	Net Loss for the year
Penghasilan (rugi) komprehensif lain															Other comprehensive income (loss)
Kerugian aktuaria atas kewajiban manfaat pasti	31, 34	-	-	-	-	-	(16.329)	-	-	-	-	(16.329)	-	(16.329)	Actuarial losses on defined benefits obligation
Keuntungan yang belum direalisasi atas instrumen keuangan derivatif *(hedging reserve)*	13. 34	-	-	1.610.911	-	-	-	-	-	-	-	1.610.911	-	1.610.911	Share in unrealized gain on derivative financial instrument (hedging reserve)
Akumulasi selisih kurs penjabaran laporan keuangan	34	-	-	-	-	69.800	-	-	-	-	-	69.800	-	69.800	Cumulative translation adjustments
Jumlah rugi komprehensif		-	-	1.610.911	-	69.800	(16.329)	-	-	-	(67.594.082)	(65.929.700)	(36.636.644)	(102.566.344)	Total comprehensive loss
Modal disetor lainnya	33	-	2.226.985	-	-	-	-	-	-	-	-	2.226.985	-	2.226.985	Other paid-in capital
Pelepasan sebagian kepemilikan entitas anak	1c	-	-	-	-	-	-	-	926.776	-	-	926.776	8.977.743	9.904.519	Partial disposal of ownership interest in a subsidiary
Saldo per 31 Desember 2016		56.892.154	253.074.906	(4.207.052)	7.816.296	(546.842)	3.251.331	57.184.360	926.776	5.312.496	209.537.805	589.242.230	151.867.338	741.109.568	Balance as of December 31, 2016

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

PT. INDIKA ENERGY Tbk DAN ENTITAS ANAK
LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	772.775.192	1.138.967.559	Cash receipts from customers
Pengeluaran kas kepada pemasok	(554.332.296)	(943.785.596)	Cash paid to suppliers
Pengeluaran kas kepada direktur, komisaris dan karyawan	(152.746.485)	(177.227.405)	Cash paid to directors, commissioners and employees
Kas yang diperoleh dari operasi	65.696.411	17.954.558	Cash generated from operations
Penerimaan klaim pengembalian pajak	49.660.132	4.772.545	Receipt of claims for tax refund
Penghasilan bunga	4.792.205	9.738.644	Interest received
Pembayaran beban keuangan	(51.601.415)	(64.887.945)	Finance cost paid
Pembayaran pajak	(24.675.714)	(37.837.470)	Taxes paid
Permohonan klaim pengembalian pajak	(3.849.207)	(3.128.480)	Placement of claim for tax refund
Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Operasi	40.022.412	(73.388.148)	Net Cash Provided by (Used in) Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dividen	84.737.287	70.659.435	Dividends received
Pencairan aset keuangan lainnya	29.170.120	4.034.458	Withdrawal of other financial assets
Hasil penjualan aset tetap dan aset tidak lancar dimiliki untuk dijual	29.104.194	4.638.997	Proceeds from sale of property and noncurrent assets held for sale
Pelunasan piutang lain-lain dari pihak berelasi	13.103.243	6.698.629	Settlement of other accounts receivable from related parties
Penerimaan dari uang muka atas modal saham dari kepentingan non-pengendali	9.560.532	-	Proceeds from advances for share capital from non-controlling interest
Hasil penjualan investasi pada entitas anak	380.974	1.176.867	Proceeds from sale of investments in subsidiaries
Penerimaan (pembayaran) uang muka dan aset tidak lancar lainnya	30.738	(1.085.282)	Proceeds (payment) of advances and other non current assets
Perolehan aset tetap	(21.888.508)	(57.787.828)	Acquisitions of property, plant and equipment
Penempatan aset keuangan lainnya	(14.032.967)	(6.435.474)	Placement of other financial assets
Kenaikan piutang lain-lain pada pihak berelasi	(8.377.536)	(7.020.000)	Increase in other accounts receivable to related parties
Kenaikan investasi di entitas asosiasi	(4.250.000)	(1.276.296)	Increase investment in associates
Pembayaran aset eksplorasi dan evaluasi	(777.142)	(1.621.538)	Payment for exploration and evaluation assets
Perolehan aset tidak berwujud	(98.385)	(923.819)	Acquisition of intangible assets
Pembayaran untuk investasi di entitas anak	-	(994.000)	Payment of investment in a subsidiary
Kas Bersih yang Diperoleh dari Aktivitas Investasi	116.662.550	10.064.149	Net Cash Provided by Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan dari utang bank, utang jangka panjang dan sewa pembiayaan	300.463.966	564.288.818	Proceeds from bank loans, long-term loans and lease liabilities
Penerimaan dari transaksi jual dan sewa balik	7.677.643	7.128.000	Proceeds from sale and leaseback transaction
Pembayaran utang bank, utang jangka panjang dan sewa pembiayaan	(480.214.386)	(493.841.926)	Payments of bank loans, long-term loans and lease liabilities
Pembayaran dividen entitas anak kepada kepentingan non-pengendali	(150.000)	(8.803.185)	Payments of dividend by subsidiaries to non-controlling interests
Penerimaan utang lain-lain	-	1.117.279	Proceeds from other payables
Pelunasan sebagian utang obligasi	-	(77.143.800)	Partial settlement of bonds payable
Pembayaran biaya transaksi terkait pelunasan sebagian utang obligasi	-	(1.049.993)	Payment of transaction cost related to partial settlement of bonds payable
Kas Bersih yang Digunakan untuk Aktivitas Pendanaan	(172.222.777)	(8.304.807)	Net Cash Used in Financing Activities
PENURUNAN BERSIH KAS DAN SETARA KAS	(15.537.815)	(71.628.806)	NET DECREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	259.032.201	332.697.212	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
Pengaruh perubahan kurs mata uang asing	895.778	(2.036.205)	Effects of foreign exchange rate changes
KAS DAN SETARA KAS AKHIR TAHUN	244.390.164	259.032.201	CASH AND CASH EQUIVALENTS AT END OF YEAR

Lihat catatan atas laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

1. UMUM

a. Pendirian dan Informasi Umum

PT. Indika Energy Tbk ("Perusahaan"), didirikan berdasarkan Akta Notaris No. 31 tanggal 19 Oktober 2000 dari Hasanal Yani Ali Amin, SH, notaris di Jakarta. Akta Pendirian ini disahkan oleh Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. C-13115 HT.01.01.TH.2001 tanggal 18 Oktober 2001 serta diumumkan dalam Berita Negara No. 53, Tambahan No. 6412 tanggal 2 Juli 2002. Anggaran dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir berdasarkan Akta Notaris No. 59 tanggal 28 April 2016 dari Liestiani Wang, SH M.Kn., notaris di Jakarta, untuk disesuaikan dengan Peraturan Otoritas Jasa Keuangan dan peraturan lainnya di bidang pasar modal sebagaimana yang terdapat dalam Pasal 4, 14, 15 dan 17 anggaran dasar Perusahaan. Akta tersebut diatas telah diberitahukan kepada Menteri Hukum dan Hak Asasi Manusia dan diterima berdasarakan Penerimaan Pemberitahuan No. AHU-AH.01.03-0046368 dan dicatat di dalam Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia melalui Daftar Perseroan No. AHU-0056487.AH.01.11.Tahun 2016 tanggal 9 Mei 2016.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan terutama meliputi bidang perdagangan, pembangunan, pertambangan, pengangkutan dan jasa. Perusahaan mulai beroperasi secara komersial pada tahun 2004. Pada tanggal 31 Desember 2016 dan 2015, Perusahaan dan entitas anak mempunyai karyawan masing-masing sebanyak 5.540 (termasuk 1.730 pegawai tidak tetap) dan 7.077 (termasuk 2.300 pegawai tidak tetap).

Perusahaan berdomisili di Jakarta, dengan kantor pusatnya berlokasi di Gedung Mitra, Lantai 7, Jl. Jenderal Gatot Subroto Kav. 21, Jakarta.

Pada tanggal 31 Desember 2016 dan 2015, susunan pengurus Perusahaan adalah sebagai berikut:

1. GENERAL

a. Establishment and General Information

PT. Indika Energy Tbk (the "Company") was established based on Notarial Deed No. 31 dated October 19, 2000 of Hasanal Yani Ali Amin, SH, public notary in Jakarta. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decision Letter No. C-13115 HT.01.01.TH.2001 dated October 18, 2001, and was published in State Gazette No. 53, Supplement No. 6412 dated July 2, 2002. The Company's articles of Association have been amended several times, most recently by Notarial Deed No. 59 dated April 28, 2016 of Liestiani Wang, SH M.Kn., notary in Jakarta, to comply with OJK Regulation and other capital markets regulation, specifically Articles 4, 14, 15 and 17 of the Articles of Association. The above deed was notified to the Minister of Law and Human Rights and was received pursuant to the Acceptance of Information No. AHU-AH.01.03-0046368 and registered in Legal Entities Administration System of Minister of Law and Human Rights of the Republic of Indonesia through Company Registration No. AHU-0056487.AH.01.11.Year 2016 dated May 9, 2016.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities are mainly to engage in trading, construction, mining, transportation and services. The Company started its commercial operations in 2004. As of December 31, 2016 and 2015, the Company and its subsidiaries had total number of employees of 5,540 (including 1,730 non-permanent employees) and 7,077 (including 2,300 non-permanent employees), respectively.

The Company is domiciled in Jakarta, and its head office is located at Mitra Building, 3rd Floor, Jl. Jenderal Gatot Subroto Kav. 21, Jakarta.

At December 31, 2016 and 2015, the Company's management consisted of the following:

		31 Desember/*December 31,* 2016	
Komisaris Utama	:	-	: President Commissioner
Wakil Komisaris Utama	:	Agus Lasmono	: Vice President Commissioner
Komisaris	:	Richard Bruce Ness	: Commissioner
Komisaris Independen	:	Mohammad Chatib Basri Boyke Wibowo Mukiyat	: Independent Commissioners
Direktur Utama	:	M. Arsjad Rasjid P.M.	: President Director
Direktur	:	Azis Armand	: Director
Direktur Tidak Terafiliasi	:	Eddy Junaedy Danu	: Unaffiliated Director

		31 Desember/*December 31,* 2015	
Komisaris Utama	:	Wiwoho Basuki Tjokronegoro	: President Commissioner
Wakil Komisaris Utama	:	Agus Lasmono	: Vice President Commissioner
Komisaris	:	Indracahya Basuki	: Commissioners
		Ir. Pandri Prabono-Moelyo	
Komisaris Independen	:	Mohammad Chatib Basri	: Independent Commissioners
		Dedi Aditya Sumanagara	
Direktur Utama	:	Wishnu Wardhana	: President Director
Wakil Direktur Utama	:	M. Arsjad Rasjid P.M.	: Vice President Director
Direktur Operasi, Keuangan, Sumber Daya Energi, Bisnis dan Pengembangan Usaha	:	Azis Armand	: Director of Operations, Finance, Energy Resources, Business and Project Development
Direktur Infrastruktur Energi (Pembangkit Listrik) (Tidak Terafiliasi)	:	Eddy Junaedy Danu	: Director of Energy Infrastructure (Power Plant) (Unaffiliated)
Direktur Infrastruktur Energi (Logistik Kelautan)	:	Rico Rustombi	: Director of Energy Infrastructure (Sea Logistics)
Direktur Jasa Energi (Minyak dan Gas)	:	Joseph Pangalila	: Director of Energy Services (Oil and Gas)
Direktur Jasa Energi (Penambangan)	:	Richard Bruce Ness	: Director of Energy Services (Mining)

Susunan ketua dan anggota komite audit pada tanggal tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

The chairman and members of the audit committee at December 31, 2016 and 2015 are as follows:

	31 Desember/*December 31,* 2016	31 Desember/*December 31,* 2015	
Ketua	: Boyke Wibowo Mukiyat	Dedi Aditya Sumanagara	: Chairman
Anggota	: Maringan Purba Sibarani	Harry Wiguna	: Members
	Tonyadi Halim	Subbiah Sukumaran	

Berdasarkan akta notaris no. 24 tanggal 30 Januari 2017 dari Aryanti Intisari, SH., M.Kn., notaris di Jakarta, Perusahaan telah menyetujui pengangkatan Bapak Agus Lasmono sebagai Komisaris Utama Perusahaan untuk menggantikan Bapak Wishnu Wardhana yang telah mengundurkan diri pada tanggal 7 Desemeber 2016. Tidak ada perubahan dalam susunan direksi Perusahaan.

Based on notarial deed No. 24, dated January 30, 2017 of Aryanti Intisari, SH., M.Kn., notary in Jakarta, the shareholders of the Company has approved appointment of Mr. Agus Lasmono to serve as President Commisioner of the Company to replace Mr. Wishnu Wardhana who resigned on December 7, 2016. There are no changes in the composisition of the Company's Board of Directors.

Pada tanggal 31 Desember 2016 dan 2015, Sekretaris Perusahaan adalah Dian Paramita.

At December 31, 2016 and 2015, the Company's Corporate Secretary is Dian Paramita.

Pada tanggal 31 Desember 2016 dan 2015, kepala Internal Audit Perusahaan masing-masing adalah Burhan Sutanto dan Rajiv Krishna.

At December 31, 2016 and 2015, the Company's Head of Internal Audit is Burhan Sutanto and Rajiv Krishna, respectively.

b. Penawaran Umum Efek Perusahaan

b. Public Offering of Shares of the Company

Pada tanggal 2 Juni 2008, Perusahaan memperoleh pernyataan efektif dari Ketua Badan Pengawas Pasar Modal dan Lembaga Keuangan dengan Surat No. S-3398/BL/2008 untuk melakukan penawaran umum atas 937.284.000 saham Perusahaan kepada masyarakat. Pada tanggal 11 Juni 2008 saham tersebut telah dicatatkan pada Bursa Efek Indonesia.

On June 2, 2008, the Company obtained the notice of effectivity from the Chairman of the Capital Markets and Financial Institution Supervisory Agency in his Letter No. S-3398/BL/2008 for its public offering of 937,284,000 shares. On June 11, 2008, these shares were listed on the Indonesia Stock Exchange.

Pada tanggal 31 Desember 2016 dan 2015 seluruh saham Perusahaan atau sejumlah masing-masing 5.210.192.000 telah dicatatkan pada Bursa Efek Indonesia.

As of December 31, 2016 and 2015, all of the Company's 5,210,192,000 outstanding shares were listed on the Indonesia Stock Exchange.

c. Entitas Anak

Perusahaan secara langsung atau tidak langsung memiliki saham entitas anak berikut:

c. Subsidiaries

The Company has ownership interest, directly or indirectly, in the following subsidiaries:

Nama Entitas/ *Name of Entities*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2016	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2015	Tahun Operasi Komersial/ *Start of Commercial Operations*	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2016	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2015
						US$	US$
PT Indika Inti Corpindo (IIC) dan entitas anak/ *and subsidiaries*	Jakarta/ *Jakarta*	Investasi dan perdagangan umum/ *Investment and general trading*	99,99%	99,99%	1998	269.741.419	325.035.789
Asia Properity Coal B.V. (APC) *)	Belanda/ *Netherland*	Pembiayaan/ *Financing*	-	99,99%	2004	-	2.421
PT Citra Indah Prima (CIP) dan entitas anak/ *and subsidiaries* *)	Jakarta/ *Jakarta*	Investasi/ *Investment*	99,92%	99,92%	Tidak aktif/ *Dormant*	1.638.794	1.476.574
PT Sindo Resources (SR) *)	Jakarta/ *Jakarta*	Pertambangan/ *Mining*	89,93%	89,93%	Tidak aktif/ *Dormant*	299	463
PT Melawi Rimba Minerals (MRM) *)	Jakarta/ *Jakarta*	Pertambangan/ *Mining*	89,93%	89,93%	Tidak aktif/ *Dormant*	-	-
Indika Capital Pte. Ltd. (ICPL) dan entitas anak/ *and subsidiary* *)	Singapura/ *Singapore*	Pemasaran dan investasi/ *Marketing and investment*	99,99%	99,99%	2009	48.187.342	93.799.076
Indika Capital Resources Limited (ICRL) *)	Kepulauan Virgin Britania/ *British Virgin Islands*	Pembiayaan/ *Financing*	99,99%	99,99%	2009	41.400.990	60.996.713
PT Indy Properti Indonesia (IPY)	Jakarta/ *Jakarta*	Pembangunan, jasa dan perdagangan/ *Development, services and trading*	100%	100%	2015	1.267.461	1.149.516
PT Indika Indonesia Resources (IIR) dan entitas anak/ *and subsidiaries*	Jakarta/ *Jakarta*	Pertambangan dan perdagangan dasar/ *Mining and trading*	100%	100%	Tahap pengembangan/ *Development stage*	337.673.025	374.501.831
PT Mitra Energi Agung (MEA) *)	Kalimantan Timur/ *East Kalimantan*	Pertambangan Batubara/ *Coal Mining*	60%	60%	Tahap pengembangan/ *Development stage*	154.167	672.304
Indika Capital Investments Pte. Ltd (ICI) *)	*Singapura/ Singapore*	Perdagangan batubara dan mineral serta perdagangan umum/ *Coal and mineral trading and general trading activities*	100%	100%	2015	154.909.066	144.373.572
PT Indika Energi Trading (IET) *)	Jakarta/ *Jakarta*	Perdagangan/ *Trading*	60%	60%	Tahap pengembangan/ *Development stage*	3.356.638	1.757.620

Nama Entitas/ *Name of Entities*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2016	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2015	Tahun Operasi Komersial/ *Start of Commercial Operations*	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2016	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2015
						US$	US$
PT Multi Tambangjaya Utama (MUTU) *)	Kalimantan Tengah/ *Central Kalimantan*	Pertambangan Batubara/ *Coal Mining*	85%	85%	2012	45.944.972	52.749.617
Indika Energy Trading Pte. Ltd. *)	Singapura/ *Singapore*	Perdagangan batubara dan mineral serta perdagangan umum/ *Coal and mineral trading and general trading activities*	60%	-	2016	100	-
PT Indika Multi Energi (IME) dan entitas anak/ *and subsidiary*	Jakarta/ *Jakarta*	Perdagangan, pembangunan, perindustrian, pertanian, percetakan, perbengkelan, pengangkutan dan jasa/*Trading, development, industrial, agriculture, printing, workshop, transportation and services*	100%	100%	Tahap pengembangan/ *Development stage*	490.943	776.776
PT Indika Multi Daya Energi (IMDE) *)	Jakarta/ *Jakarta*	Perdagangan, pembangunan, jasa, perbengkelan, perindustrian, pengangkutan, percetakan, dan pertanian/ *Trading, development, services, workshop, industrial, transportation, printing and agriculture*	100%	100%	Tidak aktif/ *Dormant*	295.502	465.985
PT Tripatra Engineers and Constructors (TPEC) dan entitas anak/*and subsidiaries*	Jakarta/ *Jakarta*	Jasa konsultasi, konstruksi, bisnis, perdagangan dan industri/ *Provision of consultancy services, construction business and trading*	100%	100%	1989	303.139.418	393.373.039
Tripatra (Singapore) Pte. Ltd (TS) *) dan entitas anak/*and subsidiary*	Singapura/ *Singapore*	Investasi/ *Investment*	100%	100%	2006	26.435.506	28.632.596
Tripatra Investment Limited (TRIL) *)	Kepulauan Virgin Britania/ *British Virgin Islands*	Investasi/ *Investment*	100%	100%	2007	15.216.522	15.316.831
PT Tripatra Engineering (TPE)	Jakarta/ *Jakarta*	Jasa konsultasi untuk bidang-bidang konstruksi, industri dan infrasruktur/ *Consultation services for construction, industry and infrastructure*	100%	100%	1971	34.019.077	40.179.493

Nama Entitas/ *Name of Entities*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2016	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2015	Tahun Operasi Komersial/ *Start of Commercial Operations*	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2016	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2015
						US$	US$
PT Petrosea Tbk (Petrosea) dan entitas anak/ *and subsidiaries*	Jakarta/ *Jakarta*	Rekayasa, kontruksi, pertambangan dan jasa lainnya/ *Engineering, construction, mining and other services*	69,80%	69,80%	1972	393.424.569	425.388.337
PTP Investments Pte. Ltd. (PTPI) *)	Singapura/ *Singapore*	Investasi/ *Investment*	69,80%	69,80%	Tidak aktif/ *Dormant*	708.000	738.000
PT POSB Reksabumi Indonesia *)	Tangerang Selatan/ *South Tangerang*	Jasa pengelolaan limbah/ *Waste management services*	69,73%	-	2016	375.000	-
PT Petrosea Kalimantan (PTPK) *)	Balikpapan/ *Balikpapan*	Perdagangan dan jasa kontraktor/ *Trading and contracting services*	69,80%	69,80%	Tidak aktif/ *Dormant*	40.000	39.000
PT POSB Infrastructure Kalimantan (PTPIK) *)	Balikpapan/ *Balikpapan*	Pengelolaan pelabuhan khusus/ *Special port management*	69,80%	69,80%	Tidak aktif/ *Dormant*	1.723.000	912.000
PT Mahaka Industri Perdana (MIP) *)	Jakarta/ *Jakarta*	Perdagangan, pertambangan dan industri lainnya/*Trading, mining and other industries*	35,77%	35,77%	1994	1.039.000	688.000
Indika Power Investments Pte. Ltd., (IPI)	Singapura/ *Singapore*	Investasi/ *Investment*	100%	100%	2006	69.579.898	52.483.806
PT Indika Infrastruktur Investindo (III)	Jakarta/ *Jakarta*	Investasi/ *Investment*	100%	100%	2007	20.709.471	19.032.584
PT Indika Energy Infrastructure (IEI) dan entitas anak/*and subsidiaries*	Jakarta/ *Jakarta*	Perdagangan, pembangunan dan jasa/*Trading, development and services*	100%	100%	2010	341.793.969	425.650.195
PT LPG Distribusi Indonesia (LDI) dan entitas anak/*and subsidiaries *)*	Jakarta/ *Jakarta*	Perdagangan, perindustrian, pertambangan dan jasa/*Trading, industry, mining and services*	100%	100%	2010	1.976.817	2.052.832

Nama Entitas/ *Name of Entities*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership*		Tahun Operasi Komersial/ *Start of Commercial Operations*	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination*	
			31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015		31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015
			2016	2015		US$	US$
PT Jati Warna Gas Utama (JGU) *)	Jakarta/ *Jakarta*	*Pengelolaan stasiun pengisian bahan bakar gas (SPPBE) Operations of station for Gas Filing Delivery (SPPBE)*	-	100%	Tahap pengembangan/ *Development stage*	-	18.123
PT Indika Logistic & Support Services (ILSS) dan entitas anak/*and subsidiaries *)*	Jakarta/ *Jakarta*	Pengelolaan pelabuhan/ *Port operation*	100%	100%	2011	21.275.655	20.781.083
PT Kuala Pelabuhan Indonesia (KPI) *)	Timika, Irian Jaya/ *Timika, Irian Jaya*	Pengelolaan pelabuhan/ *Port operation*	100%	100%	1995	18.101.723	20.412.811
PT Indika Multi Niaga (IMN) *)	Jakarta/ *Jakarta*	Jasa pengurusan transportasi, perdagangan dan jasa lainnya/*Transportation management services, trading and other services*	100%	100%	2015	90.621	732.149
PT Indika Multi Energi Internasional (IMEI) dan entitas anak/*and subsidiary *)*	Jakarta/ *Jakarta*	Perdagangan, pembangunan, perindustrian, pertanian, percetakan, perbengkelan, pengangkutan dan jasa/ *Trading, development, industrial, agriculture, printing,workshop, transportation and services*	100%	100%	Tahap pengembangan/ *Development stage*	10.349.461	1.464.996
PT Prasarana Energi Indonesia (PEI) dan entitas anak/*and subsidiary *)*	Jakarta/ *Jakarta*	Perdagangan, pembangunan, perindustrian, pertanian, percetakan, perbengkelan, pengangkutan dan jasa/ *Trading, development, industrial, agriculture, printing,workshop, transportation and services*	25%	100%	Tahap pengembangan/ *Development stage*	10.045.243	1.477.398
PT Prasarana Energi Cirebon (PEC) *)	Jakarta/ *Jakarta*	Perdagangan, pembangunan, perindustrian, pertanian, percetakan, perbengkelan, pengangkutan dan jasa/ *Trading, development, industrial, agriculture, printing,workshop, transportation and services*	25%	100%	Tahap pengembangan/ *Development stage*	10.003.542	1.439.111
PT Mitrabahtera Segara Sejati Tbk (MBSS) dan entitas anak/*and subsidiaries *)*	Jakarta/ *Jakarta*	Logistik dan pengangkutan kelautan/ *Sea logistics and transhipment*	51%	51%	1994	267.770.505	307.783.678
PT Mitra Hartono Sejati (MHS) **)	Jakarta/ *Jakarta*	Pelayaran/ *Shipping*	25,50%	25,50%	Tahap pengembangan/ *Development stage*	2.099.695	2.099.695
PT Mitra Swire CTM (MSC) **)	Jakarta/ *Jakarta*	Pelayaran/ *Shipping*	35,68%	35,68%	2008	22.904.580	26.490.103
Mitra Bahtera Segarasejati Pte. Ltd. (MBS) **)	Singapura/ *Singapore*	Pelayaran/ *Shipping*	51%	51%	Tahap pengembangan/ *Development stage*	324.749	494.026

Nama Entitas/ *Name of Entities*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2016	Persentase Kepemilikan/ *Percentage of Ownership* 31 Desember/ *December 31,* 2015	Tahun Operasi Komersial/ *Start of Commercial Operations*	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2016 US$	Jumlah Aset Sebelum Eliminasi/ *Total Assets Before Elimination* 31 Desember/ *December 31,* 2015 US$
Mitra Jaya Offshore (MJO) **)	Jakarta/ *Jakarta*	Pelayaran/ *Shipping*	26,01%	26,01%	Tahap pengembangan/ *Development stage*	455.493	869.880
PT Mitra Alam Segara Sejati (MASS) **)	Jakarta/ *Jakarta*	Pelayaran/ *Shipping*	31%	31%	2012	16.930.519	18.626.742
Indo Integrated Energy B.V. (IIE BV)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	1984	4.317.424	4.250.664
Indo Integrated Energy II B.V. (IIE BV II)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	2009	4.041.989	3.907.728
Indo Energy Finance B.V. (IEF BV) dan entitas anak/ *and subsidiary*	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	2011	178.962.456	178.527.198
Indo Energy Capital B.V. (IEC BV) *)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	2011	174.861.396	174.797.056
Indo Energy Finance II B.V. (IEF BV II) dan entitas anak/ *and subsidiary*	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	2012	518.440.659	517.985.660
Indo Energy Capital II B.V. (IEC BV II) *)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100%	100%	2012	515.104.464	514.805.989

*) Pemilikan tidak langsung
**) Pemilikan tidak langsung melalui MBSS

*) Indirect ownership
**) Indirectly acquired through MBSS

Tahun 2016

a. Pendirian entitas anak

i. Pada tanggal 14 Juni 2016, Petrosea mendirikan entitas anak baru PT POSB Reksabumi Indonesia (PTPRI), dengan kepemilikan saham sebesar 99,9% saham dan sisanya dimiliki oleh PT POSB Infrastructure Indonesia (PTPII).

ii. Pada tanggal 11 Pebruari 2016, IIR dan Tenstars Pte. Ltd., pihak ketiga, mendirikan Indika Energy Trading Pte. Ltd. (IETP) dengan kepemilikan sebesar 60% oleh IIR. IETP bergerak dalam bidang perdagangan batubara dan mineral, perdagangan umum.

b. Pelepasan dan likuidasi entitas anak

i. Pada tanggal 1 Agustus 2016, IMEI dan IEI, merupakan entitas anak, telah menandatangani Akta Jual Beli Saham (AJB) dengan PT Imeco Multi Prasarana (IMP) – pihak berelasi, atas saham-saham milik IMEI dan IEI pada PEI, masing-masing sejumlah 2.099 dan 1 lembar saham, yang seluruhnya mewakili 75% saham di PEI. Setelah penandatanganan AJB tersebut, IMEI memiliki 25% saham di PEI.

Berdasarkan perjanjian kontrak antara IMEI dan IMP, IMEI memiliki hak suara cukup dominan dan kuasa untuk menunjuk dan memberhentikan dewan direksi dan dewan komisaris PEI yang memiliki pengaruh untuk mengelola dan mengawasi operasional PEI. Untuk kebijakan yang memerlukan persetujuan pemegang saham, setidaknya 80% hak suara diperlukan yang berarti IMEI juga harus menyetujui kebijakan tersebut. Oleh karena itu, IMEI memiliki kontrol atas PEI, meskipun secara hukum hanya memiliki 25% kepemilikan.

Nilai transaksi tersebut diatas adalah sebesar Rp 4,6 miliar. Perbedaan antara nilai wajar pembayaran yang diterima dan nilai diakui untuk kepentingan non-pengendali diakui pada ekuitas lainnya, dengan perincian sebagai berikut:

Year 2016

a. Establishment of subsidiaries

i. On June 14, 2016, Petrosea established a new subsidiary PT POSB Reksabumi Indonesia (PTPRI), with ownership interest of 99,9% shares and the rest is owned by PT POSB Infrastructure Indonesia (PTPII).

ii. On February 11, 2016, IIR and Tenstars Pte. Ltd., a third party, established Indika Energy Trading Pte. Ltd. (IETP) where IIR owns 60% interest. IETP will be engaged in coal and mineral trading, general trading activities.

b. Disposal and liquidation of subsidiaries

i. On August 1, 2016, IMEI and IEI, both subsidiaries, entered into Sales and Purchase Deed (SPD) with PT Imeco Multi Prasarana (IMP), a related party, for 2,099 shares owned by IMEI and 1 share owned by IEI in PEI, which in total represents 75% of ownership in PEI. After the signing of the SPD, IMEI effectively retained 25% of share ownership in PEI.

Based on the contractual agreement between IMEI and IMP, IMEI has sufficiently dominant voting interests and the power to appoint and remove the majority of the board of directors and board of commissioners of PEI that has the power to direct and supervise the relevant activities of PEI. For the actions that require Shareholders approval, the voting requirement is 80% meaning that IMEI should also approve the relevant actions. Therefore it was assessed that IMEI has control over PEI, although it legally owns only 25% ownership of interest.

The transaction price was Rp 4.6 billion. The difference between the fair value of consideration received and the amount recognized as non-controlling interests was recognized as other equity, with the following details:

	US$	
Nilai wajar pembayaran diterima	349.830	Fair value of consideration received
Nilai diakui untuk kepentingan non-pengendali	(576.946)	Amount recognized as non-controlling interests
Ekuitas lainnya	926.776	Other equity

PEI adalah pemilik 25% participating interest secara tidak langsung melalui entitas anaknya, PEC, pada proyek Pembangkit Listrik Tenaga Uap berkapasitas 1 x 1000 MW dikembangkan oleh PT Cirebon Energi Prasarana (CEPR) yang terletak di Cirebon (Catatan 13).

PEI owns, indirectly through its subsidiary, PEC, 25% participating interest in a 1 x 1000 MW Coal-fired Power Plant being developed by PT Cirebon Energi Prasarana (CEPR) located in Cirebon (Note 13).

ii. Pada tanggal 10 Oktober 2016, LDI dan IEI, merupakan entitas anak, menandatangani Akta Jual Beli dengan pihak ketiga atas 249 saham yang dimiliki oleh LDI dan 1 saham yang dimiliki oleh IEI di JGU, yang merupakan 100% kepemilikan saham di JGU. Harga jual saham disepakati sebesar Rp 315.694.266. Keuntungan yang diakui atas transaksi ini sebesar Rp 314.367.262 (setara dengan US$ 23,397) dicatat di lain-lain – bersih (Catatan 40).

ii. On October 10, 2016, LDI and IEI, subsidiaries, entered into Sales and Purchase Deed with a third party, for 249 shares owned by LDI and 1 share owned by IEI in JGU, which represents 100% of ownership in JGU. Selling price was agreed at Rp 315,694,266. Gain recognized from this transaction amounted to Rp 314,367,262 (equivalent to US$ 23,397) and was recognized in others – net (Note 40).

iii. Pada tanggal 28 Desember 2016, Asia Prosperity Coal B.V., (APC) anak perusahaan dari IIC telah dilikuidasi secara hukum. Berdasarkan penilaian manajemen, likuidasi tersebut dilakukan karena APC tidak mampu untuk menghasilkan pendapatan.

iii. On December 28, 2016, Asia Prosperity Coal B.V., (APC) subsidiary of IIC was dissolved legally. Based on management's assessment, the liquidation was due to the inability of the APC to generate income.

Tahun 2015

a. Pendirian entitas anak

Pada bulan September 2015, ILSS dan IEI mendirikan IMN, dimana ILSS memiliki 99,99% saham IMN. IMN bergerak dalam bidang jasa pengurusan transportasi, perdagangan dan jasa lainnya.

b. Pelepasan entitas anak

i. Pada tanggal 31 Desember 2014, seluruh aset dan liabilitas WAGL disajikan secara terpisah dengan aset dan liabilitas lain dalam laporan posisi keuangan konsolidasian dan diklasifikasi sebagai aset dimiliki untuk dijual dan liabilitas yang secara langsung berhubungan dengan aset dimiliki untuk dijual. Aset yang dimiliki untuk dijual terutama terdiri dari aset tetap sebesar US$ 865.917 dan kas setara kas sebesar US$ 411.898.

Pada tanggal 16 Januari 2015, IEI dan LDI telah menandatangani perjanjian jual beli dengan pihak ketiga untuk menjual seluruh saham yang dimiliki atas WAGL dengan harga transaksi sebesar Rp 18 miliar. Keuntungan yang diakui atas transaksi ini sebesar US$ 232.880 dicatat di lain-lain – bersih (Catatan 40).

Year 2015

a. Establishment of subsidiary

In September 2015, ILSS and IEI established IMN, where ILSS owns 99.99% of share ownership. IMN will be engaged in freight forwarding, trading and other services.

b. Disposal of subsidiaries

i. As of December 31, 2014, all assets and liabilities of WAGL were presented separately from other assets and liabilities in the consolidated statement of financial position and were classified as assets held for sale and liabilities associated with assets held for sale. Assets held for sale consisted mainly of property, plant and equipment of US$ 865,917 and cash and cash equivalents of US$ 411,898.

On January 16, 2015, IEI and LDI signed a sale and purchase agreement with a third party to sell all of their share ownership in WAGL at the selling price of Rp 18 billion. Gain recognized from this transaction amounting to US$ 232,880 was recognized in others – net (Note 40).

ii. Pada tanggal 31 Desember 2014, seluruh aset dan liabilitas SMG disajikan secara terpisah dengan aset dan liabilitas lain dalam laporan posisi keuangan konsolidasian dan diklasifikasi sebagai aset dimiliki untuk dijual dan liabilitas yang secara langsung berhubungan dengan aset dimiliki untuk dijual. Aset yang dimiliki untuk dijual terdiri dari jumlah asset sebesar US$ 954.227 termasuk kas dan setara kas sebesar US$ 6.377, dan jumlah liabilitas sebesar US$ 415.708.

Pada tanggal 7 Desember 2015, IEI dan LDI telah menandatangani perjanjian jual beli dengan pihak ketiga untuk menjual seluruh saham yang dimiliki atas SMG dengan harga transaksi sebesar Rp 13,5 miliar, termasuk penyelesaian atas jumlah liabilitas dan uang muka dari pihak berelasi. Keuntungan yang diakui atas transaksi ini sebesar US$ 177.160 dicatat di lain-lain – bersih (Catatan 40).

ii. As of December 31, 2014, all assets and liabilities of SMG were presented separately from other asset and liabilities in the consolidated statement of financial position and were classified as assets held for sale and liabilities associated with assets held for sale. Assets held for sale consisted of total assets amounting to US$ 954,227 including cash and cash equivalents of US$ 6,377, and total liabilities of US$ 415,708.

On December 7, 2015, IEI and LDI signed a sale and purchase agreement with third parties to sell all of their share ownership in SMG at the transaction price of Rp 13.5 billion, including settlement of outstanding liabilities and advances from related parties. Gain recognized from this transaction amounting to US$ 177,160 was recognized in others – net (Note 40).

c. Akuisisi entitas anak

Pada tanggal 6 Agustus 2015, Petrosea melalui entitas anaknya, PTPIK, telah mengakuisisi 51,25% atau sebanyak 4.100 saham MIP, perusahaan yang berdomisili di Jakarta. Akuisisi dilakukan untuk memperkuat lini bisnis Petrosea. Goodwill yang timbul dari transaksi akuisisi ini sebesar US$ 781.195.

Kepentingan non-pengendali sebesar 48,75% diakui pada tanggal akuisisi diukur dari nilai wajar kepentingan non-pengendali sejumlah US$ 283.227.

Pada saat tanggal akuisisi MIP, nilai wajar aset yang diperoleh dan liabilitas diasumsikan sebagai berikut:

c. Acquisition of subsidiary

On August 6, 2015 Petrosea through its subsidiary, PTPIK, acquired 51.25% equity ownership or 4,100 shares of MIP, a company domiciled in Jakarta. Acquisition is done to strengthen Petrosea's business lines. Goodwill arising from the acquisition amounted to US$ 781,195.

The 48.75% non-controlling interest recognized at acquisition date was measured by reference to the fair value of the non-controlling interest which amounted to US$ 283,227.

As of date of the acquisition of MIP, the fair value of assets acquired and liabilities assumed are as follows:

	US$	
Aset lancar	330.812	Current assets
Aset tidak lancar	57.645	Non-current assets
Aset tidak berwujud	222.237	Intangible asset
Liabilitas jangka pendek	(293.037)	Current liabilities
Liabilitas jangka panjang	(19.905)	Non-current liabilities
Nilai wajar aset bersih yang diakuisisi	297.752	Fair value of net assets acquired

Goodwill dan arus kas keluar bersih yang timbul dari akuisisi adalah sebagai berikut:

Goodwill and net cash outflow arising from such acquisition are as follows:

	US$	
Imbalan yang dialihkan	1.078.947	Consideration transferred
Ditambah: Kepentingan nonpengendali	283.227	Add: Non-controlling interest
Dikurangi: Nilai wajar aset bersih teridentifikasi yang diperoleh	580.979	Less: Fair value of identifiable net assets acquired
Goodwill yang timbul dari akuisisi (Catatan 23)	781.195	Goodwill arising from acquisition (Note 23)
Biaya akuisisi	1.078.947	Acquisition cost
Dikurangi: Kas dan setara kas yang diperoleh	85.235	Less: Cash and cash equivalents acquired
Arus kas keluar bersih pada saat akuisisi	993.712	Net cash outflow on acquisition

Goodwill yang timbul dalam kombinasi bisnis karena biaya perolehan kombinasi bisnis termasuk suatu premi pengendalian. Selanjutnya, imbalan yang dibayar untuk kombinasi secara efektif tidak termasuk jumlah yang terkait dengan sinergi yang diharapkan, pertumbuhan pendapatan, pengembangan pasar yang akan datang, kumpulan tenaga kerja dan aset tak berwujud tertentu. Manfaat ini diakui terpisah dari goodwill karena manfaat tersebut memenuhi kriteria pengakuan untuk aset tak berwujud yang dapat diidentifikasi sebesar US$ 222.237.

Entitas anak ini memberikan kontribusi penjualan bersih sebesar US$ 819.714 dan laba bersih sebesar US$ 85.235 terhadap hasil konsolidasian Petrosea tahun 2015.

Goodwill arose in the business combination because the cost of the business combination included a control premium. In addition, the consideration paid for the combination effectively not included amounts in relation to the benefit of expected synergies, revenue growth, future market development, assembled workforce and certain intangible assets. These benefits are recognized separately from goodwill because they meet the recognition criteria for identifiable intangible assets amounting to US$ 222,237.

This subsidiary contributed US$ 819,714 of net sales and US$ 85,235 of net income to the consolidated results of Petrosea in 2015.

Kepemilikan Perusahaan di IIC, TPE, TPEC, TS, IEC BV, IEF BV, IEC BV II, dan IEF BV II, dijadikan jaminan dengan hak prioritas utama atas utang obligasi (Catatan 30). Pada tanggal 31 Desember 2015 kepemilikan tidak langsung IIC atas SR dan MRM melalui CIP dijadikan jaminan kepada PT Intan Resource Indonesia (IRI) sesuai dengan perjanjian *Assignment Agreement for Coal Marketing Rights* (CMRA) antara IRI dan CIP, dimana diakhiri oleh kedua belah pihak pada tahun 2016 (Catatan 51).

The Company's ownership in IIC, TPE, TPEC, TS, IEC BV, IEF BV, IEC BV II, and IEF BV II, were used as security for the bonds payable on first priority basis (Note 30). As of December 31, 2015 IIC's indirect ownership in SR and MRM through CIP were pledged to PT Intan Resource Indonesia (IRI) as a result of the Assignment Agreement for Coal Marketing Right Agreement (CMRA) entered between IRI and CIP, which was terminated by both parties in 2016 (Note 51).

Kepemilikan Perusahaan di IPI dijadikan jaminan atas fasilitas pinjaman yang diperoleh pihak berelasi (Catatan 51).

The Company's ownership in IPI was used as collateral in relation to a related party's loan facility (Note 51).

d. Pengalihan kembali saham-saham Petrosea yang dimiliki oleh Perusahaan kepada Masyarakat

Untuk memenuhi Peraturan Otoritas Jasa Keuangan (OJK) tentang Pengambilalihan Perusahaan Terbuka, Perusahaan telah melakukan pengalihan kembali saham-saham Petrosea yang dimiliki oleh Perusahaan kepada masyarakat sebesar 25.125.000 saham atau mewakili 25% dari total saham yang telah ditempatkan Petrosea. Perusahaan juga menyatakan melalui surat tertanggal 9 Pebruari 2012 bahwa Citigroup Global Markets Limited dan Macquarie Capital (Singapore) Pte. Limited, selaku pembeli awal, mendapatkan opsi untuk membeli saham-saham tambahan Petrosea sebanyak 3.782.000 saham. Opsi tersebut telah dilaksanakan pada tanggal 24 Pebruari 2012.

d. Refloating Petrosea's shares owned by the Company to public

To comply with the Financial Service Authority's regulations regarding Public Company Take-Over, the Company has refloated to the public 25,125,000 shares representing 25% of Petrosea's issued shares. The Company also stated in its letter dated February 9, 2012 that Citigroup Global Markets Limited and Macquarie Capital (Singapore) Pte. Limited, as initial purchasers, have an option to buy additional shares of Petrosea with a maximum of 3,782,000 shares. The option was exercised on February 24, 2012.

Perusahaan mencatat selisih penerimaan atas *refloating* saham Petrosea dan nilai tercatat investasi pada akun ekuitas lainnya dengan perincian sebagai berikut:

The Company recognized the difference between proceeds from relfloating Petrosea's shares and carrying amount of investment as other equity with the following details:

	US$	
Penerimaan atas *re-floating* saham - bersih	106.662.427	Proceeds from shares re-floating - net
Nilai tercatat atas investasi	(49.478.067)	Carrying amount of investment
Ekuitas lainnya	57.184.360	Other equity

e. Perjanjian Karya Pengusahaan Pertambangan Batubara (PKP2B)

MUTU merupakan Perusahaan PKP2B di daerah Propinsi Kalimantan Tengah dengan wilayah kerja sekitar 24.970 hektar (ha). PKP2B ditandatangani pada tahun 1997 dengan Pemerintah Republik Indonesia.

Berdasarkan Ketentuan PKP2B diatur hal-hal, Sebagai berikut:

- MUTU bertindak sebagai Kontraktor Pemerintah dan diberikan hak tunggal untuk melakukan Kegiatan ekplorasi, penambangan, pemurnian dan pemprosesan, pengangkutan dan penjualan sumber daya di Kabupaten Barito Selatan, Barito Utara dan Barito Timur, Kalimantan Tengah dengan area seluas 24.970 hektar (Ha).
- Setelah penyelesaian pembangunan fasilitas, MUTU akan beroperasi selama periode 30 tahun sejak permulaan operasi penambangan pertama, atau jangka waktu yang lebih lama sesuai dengan persetujuan Menteri Pertambangan dan Energi Republik Indonesia. MUTU memulai 30 tahun periode operasi pada tanggal 4 Mei 2009.
- MUTU berhak atas 86,5% dari batubara yang diproduksi dan 13,5% sisanya merupakan bagian Pemerintah.
- MUTU bertanggung jawab atas pembiayaan kegiatan eksplorasi dan kegiatan penyelidikan umum di wilayah pertambangan serta berkewajiban membayar pajak dan/atau pungutan lainnya kepada Pemerintah dan biaya-biaya yang berhubungan dengan kegiatan penambangan tersebut.
- MUTU diberi hak untuk memegang kendali dan manajemen tunggal terhadap semua kegiatannya berdasarkan perjanjian tersebut, dan bertanggung jawab penuh serta memikul semua resiko sesuai dengan ketentuan-ketentuan dan persyaratan-persyaratan dalam perjanjian tersebut. Selain itu, MUTU dapat memeperkerjakan subkontraktor terdaftar, baik yang berafiliasi atau pihak ketiga untuk melaksanakan tahapan-tahapan pengusahaan pertambangan apabila dipandang layak oleh MUTU, termasuk mengontrakkan pekerjaan pembangunan fasilitas dan jasa teknik, manajemen dan administrasi yang diperlukan.

Pada tanggal 18 September 2014, MUTU menandatangani Nota Kesepahaman dengan Pemerintah Republik Indonesia tentang PKP2B, yang menuangkan hasil pembahasan, antara lain:

- MUTU dapat mempertahankan wilayah seluas 24.970 Hektar (Ha),
- Setelah berakhirnya masa PKP2B, Pemerintah dapat memberikan Izin Usaha Pertambangan Khusus (IUPK) kepada MUTU dengan jangka waktu 2 kali secara bertahap masing-masing 10 tahun,

e. Coal Contract of Work ("CCoW")

MUTU is a CCoW Company in the Province of Central Kalimantan with approximately 24,970 hectares (ha). The CCoW was signed in 1997 with the Government of the Republic of Indonesia.

The following terms and conditions, among others, are set forth in the CCoW:

- MUTU acts as a Government Contractor and is granted the sole right in exploring, mining, purifying and processing, transporting and selling resources found in South, North and East, Province of Barito, Central Kalimantan with total exploration area of 24,970 hectares (Ha).
- Upon completion of the construction of facilities, MUTU's operating period shall be for 30 years commencing on the first mining operation, or such longer period as the Minister of Mines and Energy of the Republic of Indonesia may approve. MUTU commenced its 30-year operating period on May 4, 2009.
- MUTU is entitled to 86.5% of the total coal produced with the remaining 13.5% being the Government's share of production.
- MUTU is responsible to finance its exploration and general survey activities in the mining area and is obliged to pay taxes and/or other penalties to the Government and costs with regard to the mining activities.
- MUTU is entitled to fully control and has sole management on all of the activities mentioned in the agreement, and take full responsibility and bear all risks in accordance with the terms and conditions of the agreement. MUTU is also allowed to employ related or third party registered sub-contarctors, to perform various mining activities deemed necessary by MUTU, including the construction of the facilities, as well as provision of technical, managerial and administration services.

On September 18, 2014, MUTU signed a Memorandum of Understanding with the Government of the Republic of Indonesia regarding the amendment to the CCoW, documenting the result of discussion, among others:

- MUTU may maintain an area of 24,970 Hectares (Ha),
- After the expiration of CCoW, the Government may grant Special Mining Operation Permit to MUTU, as much as two periods gradually, each for ten years period,

- MUTU diharuskan untuk melaksanakan kewajiban atas Pajak Penghasilan Badan (PPh Badan), Pajak Pertambahan Nilai (PPN) dan Pajak Daerah dengan menghormati PKP2B,
- Pemerintah berhak atas 13,5% dari hasil produksi secara tunai atas harga FOB *(free on board)* atau harga setempat *(at sale point)* pada fasilitas muat akhir yang dimiliki MUTU,
- Dalam hal Pemerintah memerlukan batubara *(in kind)*, maka bagian Pemerintah 13,5% harus diberikan oleh Perusahaan dalam bentuk batubara *(in kind),*
- Dalam hal pertambangan dilakukan dengan cara bawah tanah dan atau batubara yang diproduksi ternyata bermutu rendah maka besarnya bagian Pemerintah dapat dipertimbangkan kembali berdasarkan hasil Kajian Kelayakan yang diajukan oleh MUTU dan telah disetujui oleh Pemerintah,
- Kewajiban pengolahan batubara di dalam negeri,
- Kewajiban divestasi bagi perusahaan penanaman modal asing,
- Penggunaan tenaga kerja lokal, barang dan jasa dalam negeri.

- MUTU is required to fulfill its obligation on corporate income tax, value added tax, and local taxes in accordance with CCoW,
- The Government is entitled to 13.5% production royalty in cash based on FOB price or the price at MUTU's final loading facility,
- In case the Government needs coal, its shares may be substituted to its equivalent in coal,
- In case MUTU conducted underground mining activities or produced low quality coal, the Governments share may be reconsidered based on new feasibility study submitted by MUTU and approved by the Government,
- Obligation in domestic coal processing,
- Divestment obligation for foreign capital investment companies,
- Use of local labor, domestic products and services.

f. Izin Usaha Pertambangan Operasi Produksi

Berdasarkan Surat Keputusan Bupati Kutai Timur No. 540.1/K.641/ITK/VII/2012 tertanggal 6 Juni 2012, MEA telah diberikan Izin Usaha Pertambangan Operasi Produksi selama 20 tahun pada lahan seluas 5.000 hektar, yang berlokasi di Kabupaten Kutai Timur, Provinsi Kalimantan Timur. Namun, sampai dengan tanggal penerbitan laporan keuangan konsolidasian, MEA masih dalam tahap eksplorasi untuk menentukan cadangan batubara.

f. Production Operation Mining Business Permit

Based on the Decree of the Regent of Kutai Timur No. 540.1/K.641/ITK/VII/2012 dated June 6, 2012, MEA was granted a Production Operation Mining Business Permit for 20 years for 5,000 ha, located in the Kutai Timur Regency, East Kalimantan Province. However, as of the issuance date of the consolidated financial statements, MEA is still under exploration stage to determine its coal reserve.

2. PENERAPAN STANDAR AKUNTANSI KEUANGAN BARU DAN REVISI (PSAK) DAN INTERPRETASI STANDAR AKUNTANSI KEUANGAN (ISAK)

a. Standar dan amendemen yang berlaku efektif pada tahun berjalan

Pada tahun berjalan, Perusahan dan entitas anak telah mengaplikasikan sebuah standar baru, beberapa perubahan, dan sebuah interpretasi untuk PSAK yang diterbitkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia yang sejalan dengan operasi Perusahaan dan efektif untuk periode awal pelaporan pada tanggal 1 Januari 2016.

Penerapan standar, amandemen dan interpretasi standar berikut tidak memiliki pengaruh signifikan atas pengungkapan atau jumlah yang dicatat di dalam laporan keuangan konsolidasian pada tahun berjalan dan tahun sebelumnya:

- PSAK 70: Akuntansi Aset dan Liabilitas Pengampunan Pajak
- Amandemen PSAK 4: Laporan Keuangan Tersendiri
- Amandemen PSAK 5: Segmen Operasi

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (PSAK) AND INTERPRETATION OF PSAK (ISAK)

a. Standards and amendments effective in the current year

In the current year, the Company and its subsidiaries have applied a new standard, a number of amendments, and an interpretation to PSAK issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to their operations and effective for accounting period beginning on January 1, 2016.

The application of the following standard, amendments, and intepretation to standard have not resulted to material impact to disclosures or on the amounts recognized in the current and prior year consolidated financial statements:

- PSAK 70: Accounting for Tax Amnesty Asset and Liability
- Amendments to PSAK 4: Separate Financial Statements
- Amendments to PSAK 5 Operating Segments

- Amandemen PSAK 7: Pengungkapan pihak-pihak berelasi
- Amandemen PSAK 13: Properti Investasi
- Amandemen PSAK 15: Investasi pada Entitas Asosiasi dan Ventura Bersama
- Amandemen PSAK 16: Aset Tetap
- Amandemen PSAK 19: Aset Tak Berwujud
- Amandemen PSAK 22: Kombinasi Bisnis
- Amandemen PSAK 24: Imbalan Kerja
- Amandemen PSAK 25: Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan
- Amandemen PSAK 53: Pembayaran Berbasis Saham
- Amandemen PSAK 65: Laporan Keuangan Konsolidasian
- Amandemen PSAK 66: Pengaturan Bersama
- Amandemen PSAK 67: Pengungkapan Kepentingan dalam Entitas
- Amandemen PSAK 68: Pengukuran Nilai Wajar
- ISAK 30: Pungutan.

b. Standar dan interpretasi telah diterbitkan tetapi belum diterapkan

Amandemen standar dan interpretasi berikut efektif untuk periode yang dimulai pada atau setelah 1 Januari 2017, dengan penerapan dini diperkenankan yaitu:

- PSAK 1: Penyajian Laporan Keuangan tentang Prakarsa Pengungkapan
- ISAK 31: Interpretasi atas Ruang Lingkup PSAK 13: Properti Investasi

Standar dan amandemen standar berikut efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2018, dengan penerapan dini diperkenankan yaitu:

- Amandemen PSAK 16: Aset Tetap
- PSAK 69: Agrikultur.

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, dampak dari standar dan interpretasi tersebut terhadap laporan keuangan konsolidasian tidak dapat diketahui atau diestimasi oleh manajemen.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

a. Pernyataan Kepatuhan

Laporan keuangan konsolidasian Perusahaan dan entitas anak disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia.

- Amendments to PSAK 7: Related Party Disclosures
- Amendments to PSAK 13: Investment Property
- Amendments to PSAK 15: Investment in Associates and Joint Venture
- Amendments to PSAK 16: Property, Plant and Equipment
- Amendments to PSAK 19: Intangible Assets
- Amendments to PSAK 22: Business Combination
- Amendments to PSAK 24: Employee Benefits
- Amendments to PSAK 25: Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to PSAK 53: Share Based Payment
- Amendments to PSAK 65: Consolidated Financial Statements
- Amendments to PSAK 66: Joint Arrangements
- Amendments to PSAK 67: Disclosure of Interest in Other Entities
- Amandment to PSAK 68: Fair Value Measurement
- ISAK 30: Levies.

b. Standards and interpretations issued not yet adopted

Amendment to standard and interpretation effective for periods beginning on or after January 1, 2017, with early application permitted are the following:

- PSAK 1: Presentation of Financial Statements about Disclosure Initiative
- ISAK 31: Scope Interpretation of PSAK 13: Investment Property.

Standard and amendment to standard and interpretation effective for periods beginning on or after January 1, 2018, with early application permitted are the following:

- Amendment to PSAK 16: Property, Plant and Equipment
- PSAK 69: Agriculture.

As of the issuance date of the consolidated financial statements, the effect of adoption of these standards, amendments and interpretations on the consolidated financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Dasar Penyusunan

Dasar penyusunan laporan keuangan konsolidasian adalah biaya historis, kecuali properti dan instrumen keuangan tertentu yang diukur pada jumlah revaluasian atau nilai wajar pada setiap akhir periode pelaporan, yang dijelaskan dalam kebijakan akuntansi di bawah ini.

Biaya historis umumnya didasarkan pada nilai wajar dari imbalan yang diberikan dalam pertukaran barang dan jasa.

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam suatu transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas operasi, investasi dan pendanaan.

b. Basis of Preparation

The consolidated 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.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

c. Dasar Konsolidasian

Laporan keuangan konsolidasian menggabungkan laporan keuangan Perusahaan dan entitas yang dikendalikan oleh Perusahaan (entitas anak). Pengendalian tercapai dimana Perusahaan memiliki kekuasaan atas *investee;* eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*; dan kemampuan untuk menggunakan kekuasaannya atas *investee* untuk mempengaruhi jumlah imbal hasil investor.

Perusahaan menilai kembali apakah entitas tersebut adalah *investee* jika fakta dan keadaan yang mengindikasikan adanya perubahan terhadap satu atau lebih dari tiga elemen pengendalian yang disebutkan di atas.

Ketika Perusahaan memiliki kurang dari hak suara mayoritas di-*investee*, ia memiliki kekuasaan atas *investee* ketika hak suara investor cukup untuk memberinya kemampuan praktis untuk mengarahkan aktivitas relevan secara sepihak. Perusahaan mempertimbangkan seluruh fakta dan keadaan yang relevan dalam menilai apakah hak suara Perusahaan cukup untuk memberikan Perusahaan kekuasaan, termasuk (i) ukuran kepemilikan hak suara Perusahaan relatif terhadap ukuran dan penyebaran kepemilikan pemilik hak suara lain; (ii) hak suara potensial yang dimiliki oleh Perusahaan, pemegang suara lain atau pihak lain; (iii) hak yang timbul dari pengaturan kontraktual lain; dan (iv) setiap fakta dan keadaan tambahan apapun mengindikasikan bahwa Perusahaan memiliki, atau tidak memiliki, kemampuan kini untuk mengarahkan aktivitas yang relevan pada saat keputusan perlu dibuat, termasuk pola suara pemilikan dalam RUPS sebelumnya.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including (i) the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by the Company, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Konsolidasi entitas anak dimulai ketika Perusahaan memperoleh pengendalian atas entitas anak dan akan dihentikan ketika Perusahaan kehilangan pengendalian pada entitas anak. Secara khusus, pendapatan dan beban entitas anak diakuisisi atau dijual selama tahun berjalan termasuk dalam laporan laba rugi konsolidasian dan penghasilan komprehensif lain dari tanggal diperolehnya pengendalian Perusahaan sampai tanggal ketika Perusahaan berhenti untuk mengendalikan entitas anak.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Laba rugi dan setiap komponen penghasilan komprehensif lain diatribusikan kepada pemilik entitas induk dan untuk kepentingan nonpengendali. Perusahaan juga mengatribusikan total laba komprehensif entitas anak kepada pemilik entitas induk dan kepentingan nonpengendali meskipun hal tersebut mengakibatkan kepentingan nonpengendali memiliki saldo defisit.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Jika diperlukan, penyesuaian dapat dilakukan terhadap laporan keuangan entitas anak agar kebijakan akuntansi sesuai dengan kebijakan akuntansi Perusahaan dan entitas anak.

When necessary, adjustment are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company and its subsidiaries' accounting policies.

Seluruh aset dan liabilitas dalam intra kelompok usaha, ekuitas, pendapatan, biaya dan arus kas yang berkaitan dengan transaksi dalam kelompok usaha dieliminasi secara penuh pada saat konsolidasian.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company and its subsidiaries are eliminated in full on consolidation.

Perubahan kepemilikan Perusahaan dan entitas anak pada entitas anak yang tidak mengakibatkan kehilangan pengendalian Perusahaan dan entitas anak atas entitas anak dicatat sebagai transaksi ekuitas. Jumlah tercatat dari kepemilikan Perusahaan dan entitas anak dan kepentingan nonpengendali disesuaikan untuk mencerminkan perubahan kepentingan relatifnya dalam entitas anak. Selisih antara jumlah tercatat kepentingan nonpengendali yang disesuaikan dan nilai wajar imbalan yang dibayar atau diterima diakui secara langsung dalam ekuitas dan diatribusikan dengan pemilik entitas induk.

Changes in the Company and its subsidiaries' ownership interest in subsidiaries that do not result in the Company and its subsidiaries losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company and its subsidiaries's interest and the non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

Ketika Perusahaan dan entitas anak kehilangan pengendalian pada entitas anak, keuntungan atau kerugian diakui dalam laba rugi dan dihitung sebagai perbedaan antara (i) agregat nilai wajar pembayaran yang diterima dan nilai wajar sisa kepemilikan (*retained interest*) dan (ii) jumlah tercatat sebelumnya dari aset (termasuk goodwill), dan liabilitas dari entitas anak dan setiap kepentingan nonpengendali. Seluruh jumlah yang diakui sebelumnya dalam penghasilan komprehensif lain yang terkait dengan entitas anak yang dicatat seolah-olah Perusahaan dan entitas anak telah melepaskan secara langsung aset atau liabilitas terkait entitas anak (yaitu direklasifikasi ke laba rugi atau ditransfer ke kategori lain dari ekuitas sebagaimana ditentukan/diizinkan oleh standar akuntansi yang berlaku). Nilai wajar setiap sisa investasi pada entitas anak terdahulu pada tanggal hilangnya pengendalian dianggap sebagai nilai wajar pada saat pengakuan awal untuk akuntansi berikutnya dalam PSAK 55, Instrumen Keuangan: Pengakuan dan Pengukuran atau, ketika berlaku, biaya perolehan pada saat pengakuan awal dari investasi pada entitas asosiasi atau ventura bersama.

When the Company and its subsidiaries lose control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Company and its subsidiaries had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 55, Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

d. Kombinasi Bisnis

Akuisisi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Perusahaan dan entitas anak, liabilitas yang diakui oleh Perusahaan dan entitas anak kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Perusahaan dan entitas anak dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui di dalam laba rugi pada saat terjadinya.

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Goodwill diukur sebagai selisih lebih dari nilai gabungan dari imbalan yang dialihkan, jumlah setiap kepentingan nonpengendali pada pihak diakuisisi dan nilai wajar pada tanggal akuisisi kepentingan ekuitas yang sebelumnya dimiliki oleh pihak pengakuisisi pada pihak diakuisisi (jika ada) atas jumlah neto dari aset teridentifikasi yang diperoleh dan liabilitas yang diambilalih pada tanggal akuisisi. Jika, setelah penilaian kembali, jumlah neto dari aset teridentifikasi yang diperoleh dan liabilitas yang diambilalih pada tanggal akuisisi melebihi jumlah imbalan yang dialihkan, jumlah dari setiap kepentingan non pengendali pada pihak diakuisisi dan nilai wajar pada tanggal akuisisi kepentingan ekuitas yang sebelumnya dimiliki oleh pihak pengakuisisi pada pihak diakuisisi (jika ada), selisih lebih diakui segera dalam laba rugi sebagai pembelian dengan diskon.

Kepentingan non-pengendali yang menyajikan bagian kepemilikan dan memberikan mereka hak atas bagian proposional dari aset neto entitas dalam hal terjadi likuidasi pada awalnya diukur baik pada nilai wajar ataupun pada bagian proporsional kepemilikan kepentingan nonpengendali atas aset neto teridentifikasi dari pihak yang diakuisisi. Pilihan dasar pengukuran dilakukan atas dasar transaksi. Kepentingan non-pengendali jenis lain diukur pada nilai wajar atau, jika berlaku, pada dasar pengukuran lain yang ditentukan oleh standar akuntansi lain.

Bila imbalan yang dialihkan oleh Perusahaan dan entitas anak dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjen (*contingent consideration arrangement*), imbalan kontinjen tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company and its subsidiaries, liabilities incurred by the Company and its subsidiaries, to the former owners of the acquiree, and the equity interests issued by the Company and its subsidiaries in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase option.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another accounting standard.

When the consideration transferred by the Company and its subsidiaries in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Perubahan dalam nilai wajar atas imbalan kontinjen yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap goodwill. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

Akuntansi berikutnya untuk perubahan nilai wajar dari imbalan kontinjensi yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjensi diklasifikasikan. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada setiap tanggal pelaporan dan penyelesaian selanjutnya diperhitungkan dalam ekuitas. Imbalan kontinjensi yang diklasifikasikan sebagai aset atau liabilitas diukur kembali pada nilai wajar pada setiap tanggal pelaporan, dengan perubahan nilai wajar diakui dalam laporan laba rugi.

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Perusahaan dan entitas anak atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugiannya, jika ada, diakui dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam pendapatan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai jika kepemilikannya dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Perusahaan dan entitas anak melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

e. Kombinasi Bisnis Entitas Sepengendali

Kombinasi bisnis entitas sepengendali dicatat dengan menggunakan metode penyatuan kepemilikan dimana aset dan liabilitas yang diperoleh dari kombinasi bisnis dicatat oleh pengakuisisi pada jumlah tercatatnya.

Selisih antara jumlah imbalan yang dialihkan dan jumlah tercatat disajikan sebagai tambahan modal disetor dan tidak diakui ke laba rugi.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured subsequent to reporting dates at fair value, with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Company and its subsidiaries' previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company and its subsidiaries report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business are accounted for under pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid-in Capital and is not recycled to profit and loss.

Metode penyatuan kepemilikan diterapkan seolah-olah entitas telah bergabung sejak periode dimana entitas yang bergabung berada dalam sepengendali.

The pooling of interest method is applied as if the entities had been combined from the period in which the merging entities were placed under common control.

f. Transaksi dan Penjabaran Laporan Keuangan Dalam Mata Uang Asing

Laporan keuangan individu masing-masing entitas Grup diukur dan disajikan dalam mata uang dari lingkungan ekonomi utama dimana entitas beroperasi (mata uang fungsional). Laporan keuangan konsolidasian dan laporan posisi keuangan Perusahaan dan entitas anak disajikan dalam mata uang Dollar Amerika Serikat (U.S. Dollar atau US$) yang merupakan mata uang fungsional Perusahaan dan mata uang penyajian untuk laporan keuangan konsolidasian.

Dalam penyusunan laporan keuangan setiap entitas individu, transaksi dalam mata uang asing selain mata uang fungsional entitas (mata uang asing) diakui pada kurs yang berlaku pada tanggal transaksi. Pada setiap akhir perode pelaporan, pos moneter dalam valuta asing dijabarkan kembali pada kurs yang berlaku pada tanggal tersebut. Pos-pos nonmoneter yang diukur pada nilai wajar dalam valuta asing dijabarkan kembali pada kurs yang berlaku pada tanggal ketika nilai wajar ditentukan. Pos nonmoneter diukur dalam biaya historis dalam valuta asing yang tidak dijabarkan kembali.

Selisih kurs atas pos moneter diakui dalam laba rugi pada periode saat terjadinya kecuali untuk:

- Selisih kurs atas pinjaman valuta asing yang berkaitan dengan aset dalam konstruksi untuk penggunaan yang produktif di masa depan, termasuk dalam biaya perolehan aset tersebut ketika dianggap sebagai penyesuaian atas biaya bunga atas pinjaman valuta asing;
- Selisih kurs atas transaksi yang ditetapkan untuk tujuan lindung nilai risiko valuta asing tertentu; dan
- Selisih kurs atas pos moneter piutang atau utang pada kegiatan dalam valuta asing yang penyelesaiannya tidak direncanakan atau tidak mungkin terjadi (membentuk bagian dari investasi bersih dalam kegiatan usaha luar negeri), yang pada awalnya diakui pada penghasilan komprehensif lain dan direklasifikasi dari ekuitas ke laba rugi pada pembayaran kembali pos moneter.

f. Foreign Currency Transactions and Translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Company and its subsidiaries and the statement of financial position are presented in United States of America Dollar (U.S. Dollar or US$), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized 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 that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the 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 recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowing 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 borrowing;
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Untuk tujuan penyajian laporan keuangan konsolidasian, aset dan liabilitas kegiatan usaha luar negeri Perusahaan dan entitas anak dijabarkan ke dalam Dollar Amerika Serikat dengan menggunakan kurs yang berlaku pada akhir periode pelaporan. Pos penghasilan dan beban dijabarkan menggunakan kurs rata-rata untuk periode tersebut, kecuali kurs berfluktuasi secara signifikan selama periode tersebut, dalam hal ini kurs yang berlaku pada tanggal transaksi yang digunakan. Selisih kurs yang timbul diakui dalam penghasilan komprehensif lain dan diakumulasi dalam ekuitas (dan diatribusikan pada kepentingan nonpengendali).

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Company and its subsidiaries' foreign operations are translated into U.S. Dollar 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 recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Pembukuan entitas anak serta perusahaan asosiasi berikut ini diselenggarakan dalam mata uang fungsionalnya yaitu Rupiah (Rp):

The books of accounts of the following subsidiaries and associates are maintained in their functional currency, which is the Indonesian Rupiah (Rp):

- PT LPG Distribusi Indonesia,
- PT Cirebon Power Services,
- PT Cotrans Asia,
- PT Indy Properti Indonesia,
- PT Mahaka Industri Perdana,
- PT POSB Reksabumi Indonesia, dan
- PT Cirebon Energi Prasarana

- PT LPG Distribusi Indonesia,
- PT Cirebon Power Services,
- PT Cotrans Asia,
- PT Indy Properti Indonesia,
- PT Mahaka Industri Perdana,
- PT POSB Reksabumi Indonesia, and
- PT Cirebon Energi Prasarana.

g. Transaksi Pihak Berelasi

g. Transactions with Related Parties

Pihak berelasi adalah orang atau entitas yang terkait dengan Perusahaan dan entitas anak (entitas pelapor):

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

a. Orang atau anggota keluarga terdekat mempunyai relasi dengan entitas pelapor jika orang tersebut:

   i. memiliki pengendalian atau pengendalian bersama entitas pelapor;

   ii. memiliki pengaruh signifikan entitas pelapor; atau

   iii. merupakan personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.

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

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. Suatu entitas berelasi entitas pelapor jika memenuhi salah satu hal berikut:

   i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya terkait dengan entitas lain).
   ii. Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).

   iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama.

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. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga.

v. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor.

vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a).

vii. Orang yang diidentifikasi dalam huruf (a) (i) memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas (atau entitas induk dari entitas).

viii. Entitas, atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

Transaksi signifikan yang dilakukan dengan pihak-pihak berelasi, baik dilakukan dengan kondisi dan persyaratan yang sama dengan pihak ketiga maupun tidak, diungkapkan pada laporan keuangan konsolidasian.

iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

vi. The entity is controlled or jointly controlled by a person identified in (a).

vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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

h. Aset Keuangan

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku, dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang awalnya diukur sebesar nilai wajar.

Aset keuangan Perusahaan dan entitas anak diklasifikasikan sebagai berikut:

- Nilai wajar melalui laba rugi (FVTPL)
- Tersedia untuk dijual (AFS)
- Pinjaman yang diberikan dan piutang

Nilai wajar melalui laba rugi (FVTPL)

Aset keuangan diklasifikasi dalam FVTPL, jika aset keuangan sebagai kelompok diperdagangkan atau pada saat pengakuan awal ditetapkan untuk diukur pada FVTPL.

h. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Company and its subsidiaries' financial assets are classified as follows:

- Fair Value Through Profit Or Loss (FVTPL)
- Available-for-Sale (AFS)
- Loans and Receivables

Fair Value Through Profit Or Loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

Aset keuangan diklasifikasi sebagai kelompok diperdagangkan jika:

- diperoleh atau dimiliki terutama untuk tujuan dijual kembali dalam waktu dekat; atau
- pada pengakuan awal merupakan bagian dari portofolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek aktual terkini; atau
- merupakan derivatif yang tidak ditetapkan dan tidak efektif sebagai instrumen lindung nilai.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is part of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Aset keuangan selain aset keuangan yang diperdagangkan, dapat ditetapkan sebagai FVTPL pada saat pengakuan awal jika:

- penetapan tersebut mengeliminasi atau mengurangi secara signifikan inkonsistensi pengukuran dan pengakuan yang dapat timbul; atau
- kelompok aset keuangan, liabilitas keuangan atau keduanya, dikelola dan kinerjanya dievaluasi berdasarkan nilai wajar, sesuai dengan manajemen risiko atau strategi investasi yang didokumentasikan, dan informasi tentang Perusahaan dan entitas anak disediakan secara internal kepada manajemen kunci entitas (sebagaimana didefinisikan dalam PSAK 7: Pengungkapan Pihak-pihak Berelasi), misalnya Dewan Direksi dan Presiden Direktur entitas.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company and its subsidiaries are provided internally on that basis to the entity's key management personnel (as defined in PSAK 7: Related Party Disclosures), for example the entity's board of directors and chief executive officer.

Aset keuangan FVTPL disajikan sebesar nilai wajar, keuntungan atau kerugian yang timbul diakui dalam laba rugi. Keuntungan atau kerugian bersih yang diakui dalam laba rugi mencakup dividen atau bunga yang diperoleh dari aset keuangan. Nilai wajar ditentukan dengan cara seperti dijelaskan pada Catatan 48.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 48.

Aset keuangan tersedia untuk dijual (AFS)

Available-for-sale (AFS)

AFS aset keuangan adalah aset keuangan non-derivatif yang ditetapkan baik sebagai AFS atau yang tidak diklasifikasikan sebagai (a) pinjaman yang diberikan dan piutang, (b) dimiliki hingga jatuh tempo atau (c) aset keuangan pada nilai wajar melalui laba rugi (FVTPL).

AFS financial assets are non-derivative financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Obligasi dan saham milik Perusahaan dan entitas anak yang tercatat di bursa dan diperdagangkan pada pasar aktif diklasifikasikan sebagai AFS dan dinyatakan pada nilai wajar.

Listed shares and bonds held by the Company and its subsidiaries that are traded in an active market are classified as AFS and are stated at fair value.

Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam pendapatan komprehensif lainnya dan akumulasi revaluasi investasi AFS di ekuitas kecuali untuk kerugian penurunan nilai, bunga yang dihitung dengan metode suku bunga efektif dan laba rugi selisih kurs atas aset moneter yang diakui pada laba rugi. Jika investasi dilepas atau mengalami penurunan nilai, akumulasi laba atau rugi yang sebelumnya diakumulasi pada revaluasi investasi AFS, direklas ke laba rugi.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in equity as AFS Investment Revaluation, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognized in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in AFS Investment Revaluation is reclassified to profit or loss.

Investasi dalam instrumen ekuitas yang tidak tercatat di bursa yang tidak mempunyai kuotasi harga pasar di pasar aktif dan nilai wajarnya tidak dapat diukur secara andal diklasifikasikan sebagai AFS, diukur pada biaya perolehan dikurangi penurunan nilai.

Investments in unlisted equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured are also classified as AFS, measured at cost less impairment.

Dividen atas instrumen ekuitas AFS, jika ada, diakui pada laba rugi pada saat hak Perusahaan dan entitas anak untuk memperoleh pembayaran dividen ditetapkan.

Dividends on AFS equity instruments, if any, are recognized in profit or loss when the Company and its subsidiaries' right to receive the dividends are established.

Pinjaman yang diberikan dan piutang

Kas dan setara kas, aset keuangan lainnya, piutang pelanggan dan piutang lain-lain dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif diklasifikasi sebagai "pinjaman yang diberikan dan piutang", yang diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif dikurangi penurunan nilai.

Loans and receivables

Cash and cash equivalent, other financial assets, receivable from customers and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment.

Bunga diakui dengan menggunakan metode suku bunga efektif, kecuali piutang jangka pendek dimana pengakuan bunga tidak material.

Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Metode suku bunga efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari instrumen keuangan dan metode untuk mengalokasikan pendapatan bunga atau biaya selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan atau pembayaran kas masa depan (mencakup seluruh komisi dan bentuk lain yang dibayarkan dan diterima oleh para pihak dalam kontrak yang merupakan bagian yang tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium dan diskonto lainnya) selama perkiraan umur instrumen keuangan, atau, jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan pada saat pengakuan awal.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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 financial instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan selain dari instrumen keuangan FVTPL.

Income is recognized on an effective interest basis for financial instruments other than those financial instruments at FVTPL.

Penurunan nilai aset keuangan

Aset keuangan, selain aset keuangan FVTPL, dievaluasi terhadap indikator penurunan nilai pada setiap tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan, dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara andal.

Untuk investasi ekuitas AFS yang tercatat dan tidak tercatat di bursa, penurunan yang signifikan atau jangka panjang dalam nilai wajar dari instrumen ekuitas di bawah biaya perolehannya dianggap sebagai bukti obyektif terjadinya penurunan nilai.

Untuk aset keuangan lainnya, bukti obyektif penurunan nilai termasuk sebagai berikut:

- kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan.

Untuk kelompok aset keuangan tertentu, seperti piutang, aset yang dinilai tidak akan diturunkan secara individual akan dievaluasi penurunan nilainya secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Perusahaan dan entitas anak atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan gagal bayar atas piutang.

Untuk aset keuangan yang diukur pada biaya perolehan yang diamortisasi, jumlah kerugian penurunan nilai merupakan selisih antara jumlah tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa depan yang didiskontokan menggunakan suku bunga efektif awal dari aset keuangan.

Untuk aset keuangan yang dicatat pada biaya perolehan, jumlah kerugian penurunan nilai diukur berdasarkan selisih antara jumlah tercatat aset keuangan dan nilai kini estimasi arus kas masa depan yang didiskontokan pada tingkat imbal hasil yang berlaku di pasar untuk aset keuangan yang serupa. Kerugian penurunan nilai tersebut tidak dapat dibalik pada periode berikutnya.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are 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 listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becomes probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company and its subsidiaries' past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment 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 asset 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.

Jumlah tercatat aset keuangan tersebut dikurangi dengan kerugian penurunan nilai secara langsung atas seluruh aset keuangan, kecuali piutang yang jumlah tercatatnya dikurangi melalui penggunaan akun cadangan piutang. Jika piutang tidak tertagih, piutang tersebut dihapuskan melalui akun cadangan piutang. Pemulihan kemudian dari jumlah yang sebelumnya telah dihapuskan dikreditkan terhadap akun cadangan. Perubahan jumlah tercatat akun cadangan piutang diakui dalam laba rugi.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

Jika aset keuangan AFS dianggap menurun nilainya, keuntungan atau kerugian kumulatif yang sebelumnya telah diakui dalam ekuitas direklasifikasi ke laba rugi.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to profit or loss.

Kecuali instrumen ekuitas AFS, jika, pada periode berikutnya, jumlah kerugian penurunan nilai berkurang dan pengurangan tersebut dapat dikaitkan secara obyektif dengan peristiwa yang terjadi setelah penurunan nilai diakui, kerugian penurunan nilai yang diakui sebelumnya dibalik melalui laba rugi hingga nilai tercatat investasi pada tanggal pemulihan penurunan nilai tidak melebihi biaya perolehan diamortisasi sebelum adanya pengakuan kerugian penurunan nilai dilakukan.

With the exception of AFS equity instruments, 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 recognized, the previously recognized 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 amortized cost would have been had the impairment not been recognized.

Dalam hal efek ekuitas AFS, kerugian penurunan nilai yang sebelumnya diakui dalam laba rugi tidak boleh dibalik melalui laba rugi. Setiap kenaikan nilai wajar setelah penurunan nilai diakui secara langsung ke pendapatan komprehensif lain.

In respect of AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Penghentian pengakuan aset keuangan

Derecognition of financial assets

Perusahaan dan entitas anak menghentikan pengakuan aset keuangan jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset keuangan berakhir, atau Perusahaan dan entitas anak mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain. Jika Perusahaan dan entitas anak tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Perusahaan dan entitas anak mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Perusahaan dan entitas anak memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Perusahaan dan entitas anak masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

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

Penghentian pengakuan aset keuangan secara keseluruhan, selisih antara jumlah tercatat aset dan jumlah pembayaran dan piutang yang diterima dan keuntungan atau kerugian kumulatif yang telah diakui dalam penghasilan komprehensif lain dan terakumulasi dalam ekuitas diakui dalam laba rugi.

On derecognition of 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 recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

Penghentian pengakuan aset keuangan terhadap satu bagian saja (misalnya ketika Perusahaan dan entitas anak masih memiliki hak untuk membeli kembali bagian aset yang ditransfer), Perusahaan dan entitas anak mengalokasikan jumlah tercatat sebelumnya dari aset keuangan tersebut pada bagian yang tetap diakui berdasarkan keterlibatan berkelanjutan, dan bagian yang tidak lagi diakui berdasarkan nilai wajar relatif dari kedua bagian tersebut pada tanggal transfer. Selisih antara jumlah tercatat yang dialokasikan pada bagian yang tidak lagi diakui dan jumlah dari pembayaran yang diterima untuk bagian yang yang tidak lagi diakui dan setiap keuntungan atau kerugian kumulatif yang dialokasikan pada bagian yang tidak lagi diakui tersebut yang sebelumnya telah diakui dalam penghasilan komprehensif lain diakui pada laba rugi. Keuntungan dan kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain dialokasikan pada bagian yang tetap diakui dan bagian yang dihentikan pengakuannya, berdasarkan nilai wajar relative kedua bagian tersebut.

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

i. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi sebagai liabilitias atau ekuitas

Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Perusahaan dan entitas anak diklasifikasi sesuai dengan substansi perjanjian kontraktual dan definisi liabilitas keuangan dan instrumen ekuitas.

Instrumen ekuitas

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset Perusahaan dan entitas anak setelah dikurangi dengan seluruh liabilitasnya. Instrumen ekuitas yang diterbitkan oleh Perusahaan dan entitas anak dicatat sebesar hasil penerimaan bersih setelah dikurangi biaya penerbitan langsung.

Liabilitas Keuangan

Liabilitas keuangan diklasifikasikan pada biaya perolehan diamortisasi.

Liabilitas Keuangan pada Biaya Perolehan Diamortisasi

Liabilitas keuangan meliputi utang usaha dan lainnya, obligasi, bank dan pinjaman lainnya, biaya yang masih harus dibayar, utang obligasi dan liabilitas jangka panjang lainnya pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya diukur pada biaya perolehan yang diamortisasi menggunakan metode suku bunga efektif.

i. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company and its subsidiaries 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 an entity after deducting all of its liabilities. Equity instruments issued by the Company and its subsidiaries are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified at "amortized cost".

Financial Liabilities at Amortized Cost

Financial liabilities, which include trade and other payables, bonds, bank and other borrowings, accrued expenses, dividend payable, and other long-term liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortized cost using the effective interest method.

Penghentian pengakuan liabilitas keuangan

Perusahaan dan entitas anak menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas Perusahaan dan entitas anak telah dilepaskan, dibatalkan atau kadaluarsa. Selisih antara jumlah tercatat liabilitas keuangan yang dihentikan pengakuannya dan imbalan yang dibayarkan dan utang diakui dalam laba rugi.

Derecognition of financial liabilities

The Company and its subsidiaries derecognizes financial liabilities when, and only when, the Company and its subsidiaries obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

j. Saling hapus antar Aset Keuangan dan Liabilitas Keuangan

Aset dan liabilitas keuangan Perusahaan dan entitas anak saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika dan hanya jika:

- saat ini memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut; dan
- berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

j. Netting of Financial Assets and Financial Liabilities

The Company and its subsidiaries only offset financial assets and liabilities and present the net amount in the statement of financial position where they:

- currently have a legal enforceable right to set off the recognized amount; and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

k. Kas dan Setara Kas

Untuk penyajian laporan arus kas, kas dan setara kas terdiri dari kas, bank dan semua investasi yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan yang tidak dijaminkan serta tidak dibatasi penggunaannya.

k. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

l. Kepemilikan dalam Operasi Bersama

Operasi bersama adalah pengaturan bersama yang mengatur bahwa para pihak yang memiliki pengendalian bersama atas pengaturan memiliki hak atas aset dan kewajiban terhadap liabilitas terkait dengan pengaturan tersebut. Pengendalian bersama adalah persetujuan kontraktual untuk berbagi pengendalian atas suatu pengaturan yang ada hanya ketika keputusan mengenai aktivitas relevan mensyaratkan suara bulat dari seluruh pihak yang berbagi pengendalian.

Ketika entitas Perusahaan dan entitas anak melakukan kegiatan berdasarkan operasi bersama, Perusahaan dan entitas anak sebagai operator bersama mengakui hal berikut terkait dengan kepentingannya dalam operasi bersama:

- Aset, mencakup bagiannya atas setiap aset yang dimiliki bersama;
- Liabilitas, mencakup bagiannya atas liabilitas yang terjadi bersama;
- Pendapatan dari penjualan bagiannya atas ouput yang dihasilkan dari operasi bersama;
- Bagiannya atas pendapatan dari penjualan output oleh operasi bersama; dan
- Beban, mencakup bagiannya atas setiap beban yang terjadi secara bersama-sama.

l. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Company and its subsidiaries undertake their activities under joint operations, the Company and its subsidiaries as a joint operator recognize in relation to their interest in a joint operation:

- Their assets, including their share of any assets held jointly;
- Their liabilities, including their share of any liabilities incurred jointly;
- Their revenue from the sale of their share of the output arising from the joint operation;
- Their share of the revenue from the sale of the output by the joint operation; and
- Their expenses, including its share of any expenses incurred jointly.

Perusahaan dan entitas anak mencatat aset, liabilitas, pendapatan dan beban terkait dengan kepentingannya dalam operasi bersama sesuai dengan PSAK yang dapat diterapkan untuk aset, liabilitas, pendapatan dan beban tertentu.

The Company and its subsidiaries account for the assets, liabilities, revenues and expenses relating to their interest in a joint operation in accordance with the PSAKs applicable to the particular assets, liabilities, revenues and expenses.

Ketika entitas Perusahaan dan entitas anak melakukan transaksi dengan operasi bersama yang entitas Perusahaan dan entitas anak tersebut bertindak sebagai salah satu operator bersamanya (seperti penjualan atau kontribusi aset), Perusahaan dan entitas anak melakukan transaksi dengan pihak lain dalam operasi bersama dan, dengan demikian, operator bersama mengakui keuntungan dan kerugian yang dihasilkan dari transaksi diakui di dalam laporan keuangan konsolidasian Perusahaan dan entitas anak tersebut hanya sebatas kepentingan para pihak lain dalam operasi bersama.

When the Company and its subsidiaries transact with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Company and its subsidiaries are considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Company and its subsidiaries' consolidated financial statements only to the extent of other parties' interests in the joint operation.

Ketika entitas Perusahaan dan entitas anak melakukan transaksi dengan operasi bersama yang entiitas tersebut bertindak sebagai salah satu operator bersamanya (seperti pembelian aset), Perusahaan dan entitas anak tidak mengakui bagian keuntungan dan kerugiannya sampai Perusahaan dan entitas anak menjual kembali aset tersebut kepada pihak ketiga.

When the Company and its subsidiaries transact with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Company and its subsidiaries do not recognize their share of the gains and losses until they resell those assets to a third party.

m. Investasi pada Entitas Asosiasi

m. Investments in Associates

Entitas asosiasi adalah suatu entitas dimana Perusahaan dan entitas anak mempunyai pengaruh yang signifikan, namun tidak mempunyai pengendalian atau pengendalian bersama, melalui partisipasi dalam pengambilan keputusan kebijakan keuangan dan operasional investee.

An associate is an entity over which the Company and its subsidiaries are in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

Penghasilan dan aset dan liabilitas dari entitas asosiasi digabungkan dalam laporan keuangan konsolidasian dicatat dengan menggunakan metode ekuitas, kecuali ketika investasi diklasifikasikan sebagai dimiliki untuk dijual, sesuai dengan PSAK 58, Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan. Dengan metode ekuitas, investasi pada entitas asosiasi diakui di laporan posisi keuangan konsolidasian sebesar biaya perolehan dan selanjutnya disesuaikan untuk perubahan dalam bagian kepemilikan Perusahaan dan entitas anak atas laba rugi dan penghasilan komprehensif lain dari entitas asosiasi yang terjadi setelah perolehan. Ketika bagian Perusahaan dan entitas anak atas kerugian entitas asosiasi melebihi kepentingan Perusahaan dan entitas anak pada entitas asosiasi (yang mencakup semua kepentingan jangka panjang, yang secara substansi, membentuk bagian dari investasi bersih Perusahaan dan entitas anak dalam entitas asosiasi). Perusahaan dan entitas anak menghentikan pengakuan bagiannya atas kerugian selanjutnya. Kerugian selanjutnya diakui hanya apabila Perusahaan dan entitas anak mempunyai kewajiban bersifat hukum atau konstruktif atau melakukan pembayaran atas nama entitas asosiasi.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58, Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company and its subsidiaries share of the profit or loss and other comprehensive income of the associate. When the Company and its subsidiaries share of losses of an associate exceeds the Company and its subsidiaries' interest in that associate (which includes any long-term interests that, in substance, form part of the Company and its subsidiaries net investment in the associate) the Company and its subsidiaries' discontinues recognizing it's share of further losses. Additional losses are recognized only to the extent that the Company and its subsidiaries' has incurred legal or constructive obligations or made payments on behalf of the associate.

Investasi pada entitas asosiasi dicatat dengan menggunakan metode ekuitas dari tanggal pada saat investee menjadi entitas asosiasi. Setiap kelebihan biaya perolehan investasi atas bagian Perusahaan dan entitas anak atas nilai wajar bersih dari aset yang teridentifikasi, liabilitas dan liabilitas kontinjen darI entitas asosiasi yang diakui pada tanggal akuisisi, diakui sebagai goodwill. Goodwill termasuk dalam jumlah tercatat investasi, dan diuji penurunan nilai sebagai bagian dari investasi. Setiap kelebihan dari kepemilikan Perusahaan dan entitas anak dari nilai wajar bersih dari aset yang teridentifikasi, liabilitas dan liabilitas kontinjen atas biaya perolehan investasi, sesudah pengujian kembali segera diakui di dalam laba rugi pada periode di mana investasinya diperoleh.

An investmet in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Any excess of the cost of acquisition over the Company and its subsidiaries' share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition, is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company and its subsidiaries' share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

Persyaratan dalam PSAK 55, Instrumen Keuangan: Pengakuan dan Pengukuran, diterapkan untuk menentukan apakah perlu untuk mengakui setiap penurunan nilai sehubungan dengan investasi pada entitas asosiasi. Jika perlu, jumlah tercatat investasi yang tersisa (termasuk goodwill) diuji penurunan nilai sesuai dengan PSAK 48, Penurunan Nilai Aset, sebagai suatu aset tunggal dengan membandingkan antara jumlah terpulihkan (mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi biaya pelepasan) dengan jumlah tercatatnya. Rugi penurunan nilai yang diakui pada keadaan tersebut tidak dialokasikan pada setiap aset yang membentuk bagian dari nilai tercatat investasi pada entitas asosiasi. Setiap pembalikan dari penurunan nilai diakui sesuai dengan PSAK 48 sepanjang jumlah terpulihkan dari investasi tersebut kemudian meningkat.

The requirements of PSAK 55, Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company and its subsidiaries' investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount the investment subsequently increases.

Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas dari tanggal ketika investasinya berhenti menjadi investasi pada entitas asosiasi atau ketika investasi diklasifikasi sebagai dimiliki untuk dijual. Ketika Perusahaan dan entitas anak mempertahankan kepentingan dalam entitas asosiasi terdahulu dan sisa kepentingan adalah aset keuangan, Perusahaan dan entitas anak mengukur setiap sisa kepentingan pada nilai wajar pada tanggal tersebut dan nilai wajar dianggap sebagai nilai wajarnya pada saat pengakuan awal sesuai dengan PSAK 55. Perusahaan dan entitas anak mengakui keuntungan dan kerugian atas pelepasan investasi asosiasi atau ventura bersama dalam laba rugi dengan turut memperhitungkan nilai wajar dari investasi yang tersisa. Selanjutnya, Perusahaan dan entitas anak mencatat seluruh jumlah yang sebelumnya telah diakui dalam penghasilan komprehensif lain yang terkait dengan entitas asosiasi tersebut dengan menggunakan dasar perlakuan yang sama dengan yang disyaratkan jika entitas asosiasi telah melepaskan secara langsung aset dan liabilitas yang terkait. Seluruh jumlah yang diakui dalam penghasilan komprehensif lain yang terkait dengan entitas asosiasi atau ventura bersama direklasifikasi ke laba rugi (sebagai penyesuaian reklasifikasi) pada saat penghentian metode ekuitas.

The Company and its subsidiaries discontinue the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Company and its subsidiaries retains an interest in the former associate and the retained interest is a financial asset, the Company and its subsidiaries measure any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 55. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Company and its subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company and its subsidiaries reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Perusahaan dan entitas anak melanjutkan penerapan metode ekuitas jika investasi pada entitas asosiasi menjadi investasi pada ventura bersama atau investasi pada ventura bersama menjadi investasi pada entitas asosiasi. Tidak terdapat pengukuran kembali ke nilai wajar pada saat perubahan kepentingan.

Jika Perusahaan dan entitas anak mengurangi bagian kepemilikan pada entitas asosiasi tetapi Perusahaan dan entitas anak tetap menerapkan metode ekuitas, Perusahaan dan entitas anak mereklasifikasi ke laba rugi proporsi keuntungan yang telah diakui sebelumnya dalam penghasilan komprehensif lain yang terkait dengan pengurangan bagian kepemilikan (jika keuntungan atau kerugian tersebut akan direklasifikasi ke laba rugi atas pelepasan aset atau liabilitas yang terkait)

Ketika entitas melakukan transaksi dengan entitas asosiasi dari Perusahaan dan entitas anak, keuntungan dan kerugian yang timbul dari transaksi dengan entitas asosiasi diakui dalam laporan keuangan konsolidasian Perusahaan dan entitas anak hanya sepanjang kepemilikan dalam entitas asosiasi yang tidak terkait dengan Perusahaan dan entitas anak.

The Company and its subsidiaries continue to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investmet in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company and its subsidiaries reduce its ownership interest in an associate but the Company and its subsidiaries continue to use the equity method, the Company and its subsidiaries reclassify to profit or loss the proportion of the gain that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.)

When the Company and its subsidiaries transact with an associate of the Company and its subsidiaries, profits and losses resulting from the transactions with the associate are recognized in the Company and its subsidiaries' consolidated financial statements only to the extent of its interest in the associate that are not related to the Company and its subsidiaries.

n. Persediaan

Persediaan batubara dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan yang mencakup alokasi komponen biaya bahan baku, tenaga kerja, penyusutan dan biaya tidak langsung yang berkaitan dengan aktivitas penambangan, ditentukan dengan metode rata-rata tertimbang. Nilai realisasi bersih adalah taksiran harga penjualan dalam kegiatan usaha normal dikurangi taksiran biaya penyelesaian dan biaya yang diperlukan untuk melaksanakan penjualan.

Suku cadang dan bahan pembantu, bahan bakar diesel dan minyak, minyak pelumas dan bahan peledak dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan atas suku cadang dan bahan pembantu serta minyak pelumas ditentukan dengan metode rata-rata tertimbang sedangkan bahan bakar diesel dan minyak ditentukan dengan metode FIFO. Penyisihan untuk persediaan usang dan yang pergerakannya lambat ditentukan berdasarkan estimasi penggunaan masing-masing jenis persediaan pada masa mendatang. Bahan pendukung kegiatan pemeliharaan dicatat sebagai beban pokok kontrak dan penjualan dan beban usaha pada periode yang digunakan.

n. Inventories

Coal inventories are recognized at the lower of cost and net realizable value. Cost, which includes an appropriate allocation of material costs, labor costs and overhead costs related to mining activities, is determined using the weighted average method. Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Spare parts and supplies, diesel fuel and fuel, lubricants and blasting materials are stated at cost or net realizable value, whichever is lower. Cost for spare parts and supplies as well as lubricants are determined using the weighted average method while diesel fuel and fuel are determined using the First-in-First-out (FIFO) method. The provision for obsolete and slow moving inventories is determined on the basis of estimated future usage of individual inventory items. Supplies of maintenance materials are charged to cost of contracts and goods sold and operating expenses in the period in which they are used.

o. Biaya Dibayar Dimuka

Biaya dibayar dimuka diamortisasi selama masa manfaat masing-masing biaya dengan menggunakan metode garis lurus.

o. Prepaid Expenses

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

p. Aset Tidak Lancar Dimiliki Untuk Dijual

Aset tidak lancar yang dimiliki untuk dijual (atau kelompok lepasan) diklasifikasi sebagai dimiliki untuk dijual jika jumlah tercatatnya akan dipulihkan terutama melalui transaksi penjualan dari pada melalui pemakaian berlanjut. Kondisi ini dianggap memenuhi hanya ketika aset (atau kelompok lepasan) adalah berada dalam keadaan segera dapat dijual dengan syarat-syarat yang biasa dan umum diperlukan dalam penjualan aset (atau kelompok lepasan) tersebut dan penjualannya harus sangat mungkin terjadi. Manajemen harus memiliki komitmen untuk menjual dan penjualan diharapkan untuk diselesaikan dalam waktu satu tahun sejak tanggal reklasifikasi.

Ketika Perusahaan dan entitas anak berkomitmen terhadap rencana penjualan yang mengakibatkan kehilangan pengendalian atas entitas anak, seluruh aset dan liabilitas entitas anak tersebut diklasifikasi sebagai dimiliki untuk dijual ketika kriteria yang dijelaskan di atas terpenuhi, terlepas pada apakah setelah penjualan tersebut Perusahaan dan entitas anak masih memiliki kepentingan nonpengendali dalam entitas anak terdahulu atau tidak.

Ketika Perusahaan dan entitas anak berkomitmen terhadap rencana penjualan yang melibatkan penjualan suatu investasi atau bagian dari investasi pada entitas asosiasi atau ventura bersama, investasi atau bagian dari investasi yang akan dijual diklasifikasi sebagai dimiliki untuk dijual ketika kriteria yang dijelaskan di atas terpenuhi, dan Perusahaan dan entitas anak menghentikan penggunaan metode ekuitas sehubungan dengan bagian investasi tersebut yang diklasifikasi sebagai dimiliki untuk dijual.

Aset tidak lancar (atau kelompok lepasan) diklasifikasi sebagai yang dimiliki untuk dijual diukur pada nilai yang lebih rendah antara jumlah tercatat dan nilai wajar setelah dikurangi biaya untuk menjual.

p. Noncurrent Assets Held for Sale

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company and its subsidiaries are committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company and its subsidiaries will retain a non-controlling interest in its former subsidiary after the sale.

When the Company and its subsidiaries are committed to a sale plan involving disposal of an investment, or a portion of an investmet, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Company and its subsidiaries discontinues the use of the equity method in relation to the portion that is classified as a held for sale.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less cost to sell.

q. Aset Tetap

Aset tetap yang dimiliki untuk digunakan dalam produksi atau penyediaan barang atau jasa atau untuk tujuan administratif dicatat berdasarkan biaya perolehan setelah dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai.

q. Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Penyusutan diakui sebagai penghapusan biaya perolehan aset dikurangi nilai residu dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomis aset tetap sebagai berikut:

Depreciation is recognized so as to write off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Tahun/*Years*	
Bangunan, prasarana dan perbaikan bangunan	5 - 20	Buildings, leasehold and improvements
Perabotan, perlengkapan dan peralatan kantor lainnya	4 - 10	Office furniture, fixtures and other equipment
Kendaraan bermotor dan helikopter	3 - 20	Motor vehicles and helicopter
Mesin dan peralatan	4 - 20	Machinery and equipment
Kapal:		Vessels:
Speedboat	4	Speedboat
Landed craft tank	8	Landed craft tank
Kapal tunda, tongkang, kapal motor dan *floating crane*	7 - 20	Tugboat, Barge, Motor vessel and Floating crane
Alat berat, peralatan, pengangkutan dan kendaraan	4 - 12	Plant, equipment, heavy equipment and vehicles

Masa manfaat ekonomis, nilai residu dan metode penyusutan direview setiap akhir tahun dan pengaruh dari setiap perubahan estimasi tersebut berlaku prospektif.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Tanah dinyatakan berdasarkan biaya perolehan dan tidak disusutkan.

Land is stated at cost and is not depreciated.

Beban pemeliharaan dan perbaikan dibebankan pada laporan laba rugi konsolidasian pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap dicatat sebagai biaya perolehan aset jika dan hanya jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Aset sewa pembiayaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset yang dimiliki sendiri atau mana yang lebih rendah antara jangka waktu sewa.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

Aset tetap yang dihentikan pengakuannya atau yang dijual nilai tercatatnya dikeluarkan dari kelompok aset tetap berikut akumulasi penyusutannya. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laporan laba rugi.

When assets are retired or otherwise disposed of, their carrying amount is removed from the accounts and any resulting gain or loss is reflected in profit or loss.

Aset dalam penyelesaian dinyatakan sebesar biaya perolehan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

Construction in-progress is stated at cost and transferred to the respective property, plant and equipment account when completed and ready for use.

r. Sewa

Sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substantial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset. Sewa lainnya, yang tidak memenuhi kriteria tersebut, diklasifikasikan sebagai sewa operasi.

r. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Sebagai Lessee

Aset pada sewa pembiayaan dicatat pada awal masa sewa sebesar nilai wajar aset sewaan Perusahaan dan entitas anak yang ditentukan pada awal kontrak atau, jika lebih rendah, sebesar nilai kini dari pembayaran sewa minimum. Liabilitas kepada lessor disajikan di dalam laporan posisi keuangan konsolidasian sebagai liabilitas sewa pembiayaan.

Aset sewa pembiayaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset yang dimiliki sendiri atau disusutkan selama jangka waktu yang lebih pendek antara periode masa sewa dan umur manfaatnya.

Pembayaran sewa harus dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pengurangan dari liabilitas sewa sehingga mencapai suatu tingkat bunga yang konstan (tetap) atas saldo liabilitas. Rental kontinjen dibebankan pada periode terjadinya.

Pembayaran sewa operasi diakui sebagai beban dengan dasar garis lurus (*straight-line basis*) selama masa sewa, kecuali terdapat dasar sistematis lain yang dapat lebih mencerminkan pola waktu dari manfaat aset yang dinikmati pengguna. Rental kontinjen diakui sebagai beban di dalam periode terjadinya.

Dalam hal insentif diperoleh dalam sewa operasi, insentif tersebut diakui sebagai liabilitas. Keseluruhan manfaat dari insentif diakui sebagai pengurangan dari biaya sewa dengan dasar garis lurus kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat yang dinikmati pengguna.

Jual dan Sewa-balik

Aset yang dijual berdasarkan transaksi jual dan sewa balik diperlakukan sebagai berikut:

Jika transaksi jual dan sewa-balik merupakan sewa pembiayaan, selisih lebih hasil penjualan dari nilai tercatat aset ditangguhkan dan diamortisasi selama masa sewa.

Jika transaksi jual dan sewa-balik merupakan sewa operasi dan jelas bahwa transaksi tersebut terjadi pada nilai wajar, maka laba atau rugi harus diakui segera. Jika harga jual di bawah nilai wajar, maka laba atau rugi harus diakui segera, kecuali rugi tersebut dikompensasikan dengan pembayaran sewa di masa depan yang lebih rendah dari harga pasar, maka rugi tersebut harus ditangguhkan dan diamortisasi secara proporsional dengan pembayaran sewa selama periode penggunaan aset. Jika harga jual di atas nilai wajar, selisih lebih dari nilai wajar tersebut ditangguhkan dan diamortisasi selama periode penggunaan aset.

Untuk sewa operasi, jika nilai wajar aset pada saat transaksi jual dan sewa-balik lebih rendah daripada nilai tercatatnya, rugi sebesar selisih antara nilai tercatat dan nilai wajar harus diakui segera.

As lessee

Assets held under finance leases are initially recognized as assets of the Company and its subsidiaries at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statements of financial position as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or where shorter, the term of the relevant lease.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expense in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.

If the sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it shall be deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

Untuk sewa pembiayaan, penyesuaian seperti di atas tidak diperlukan kecuali jika telah terjadi penurunan nilai. Dalam hal ini, jumlah tercatat berkurang menjadi jumlah yang dapat dipulihkan.

For finance leases, no such adjustment is necessary unless there has been an impairment in value, in which case the carrying amount is reduced to recoverable amount.

s. Aset Tidak Berwujud

Aset tidak berwujud yang diperoleh dari kombinasi bisnis, diidentifikasi dan diakui terpisah dari goodwill apabila definisi aset tidak berwujud dipenuhi dan nilai wajarnya dapat diukur secara andal. Biaya perolehan aset tidak berwujud adalah nilai wajar pada tanggal perolehan. Setelah pengakuan awal, aset tidak berwujud yang diperoleh dari kombinasi bisnis dilaporkan sebesar biaya perolehan dikurangi akumulasi amortisasi dan penurunan nilai.

Aset tidak berwujud diamortisasi dengan menggunakan metode garis lurus selama estimasi masa manfaatnya. Estimasi masa manfaat dan metode amortisasi ditelaah pada setiap akhir periode laporan keuangan dan pengaruh perubahan estimasi diperhitungkan secara prospektif.

Aset tidak berwujud atas hak pertambangan pengembangan sistem dan perangkat lunak komputer, dan lainnya termasuk seluruh biaya langsung terkait persiapan untuk tujuan penggunaan dan diamortisasi selama 3 sampai 27 tahun dengan menggunakan metode garis lurus.

s. Intangible Assets

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the definition of an intangible asset and their fair value can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets, comprising of system mining rights, development and computer software, and others include all direct costs related to preparation of the asset for its intended use and is amortized over 3 to 27 years using the straight-line method.

t. Goodwill

Goodwill timbul atas akuisisi dari suatu bisnis yang dicatat pada biaya perolehan yang ditetapkan pada tanggal akuisisi dari bisnis tersebut (Catatan 1c) dikurangi akumulasi penurunan nilai, jika ada.

Untuk tujuan uji penurunan nilai, goodwill dialokasikan pada setiap unit penghasil kas dari Perusahaan dan entitas anak (atau kelompok unit penghasil kas) yang diperkirakan memberikan manfaat dari sinergi kombinasi bisnis tersebut. Unit penghasil kas yang telah memperoleh alokasi goodwill diuji penurunan nilainya setiap tahun, atau lebih sering jika terdapat indikasi bahwa unit penghasil kas tersebut mungkin mengalami penurunan nilai. Jika jumlah terpulihkan dari unit penghasil kas kurang dari jumlah tercatatnya, rugi penurunan nilai dialokasikan pertama kali untuk mengurangi jumlah tercatat atas setiap goodwill yang dialokasikan pada unit penghasil kas dan kemudian ke aset lain dari unit penghasil kas secara prorata berdasarkan jumlah tercatat dari setiap aset dalam unit penghasil kas tersebut. Setiap kerugian penurunan nilai *goodwill* diakui secara langsung dalam laba rugi pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian. Rugi penurunan nilai yang diakui atas goodwill tidak dapat dibalik pada periode berikutnya.

Pada pelepasan unit penghasil kas yang relevan, jumlah yang dapat diatribusikan dari goodwill termasuk dalam penentuan laba rugi atas pelepasan.

t. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (Note 1c) less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Company and its subsidiaries' cash-generating units (or group of cash-generating units) expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Kebijakan Perusahaan dan entitas anak atas goodwill yang timbul dari akuisisi entitas asosiasi dijelaskan pada Catatan 3m.

The Company and its subsidiaries' policy for goodwill arising on the acquisition of an associate is described in Note 3m.

u. Aset Tak Berwujud - Hak Atas Tanah

u. Intangible Assets - Land rights

Biaya legal pengurusan hak atas tanah pada saat perolehan tanah tersebut diakui sebagai bagian dari biaya perolehan aset tanah aset tetap.

The legal cost of land rights upon acquisition of the land is recognized as part of the cost of land under property, plant and equipment.

Biaya pembaruan atau pengurusan perpanjangan hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi selama periode hak atas tanah sebagaimana tercantum dalam kontrak atau umur ekonomis aset, mana yang lebih pendek.

The cost of renewal or extension of legal rights on land is recognized as an intangible asset and amortized over the period of land rights as stated in the contract or economic life of the asset, whichever is shorter.

v. Penurunan Nilai Aset Non-Keuangan Kecuali Goodwill

v. Impairment of Non-Financial Assets Except Goodwill

Pada setiap akhir periode pelaporan, Perusahaan dan entitas anak menelaah nilai tercatat aset non-keuangan untuk menentukan apakah terdapat indikasi bahwa aset tersebut telah mengalami penurunan nilai atau kemungkinan untuk pemulihan atas penurunan nilai yang telah dicatat sebelumnya. Jika terdapat indikasi tersebut, nilai yang dapat diperoleh kembali dari aset diestimasi untuk menentukan tingkat kerugian penurunan nilai (jika ada). Bila tidak memungkinkan untuk mengestimasi nilai yang dapat diperoleh kembali atas suatu aset individu, Perusahaan dan entitas anak mengestimasi nilai yang dapat diperoleh kembali dari unit penghasil kas atas aset.

At the end of each reporting period, the Company and its subsidiaries review the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or possibility to reverse the impairment that was previously recorded. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company and its subsidiaries estimate the recoverable amount of the cash generating unit to which the asset belongs.

Estimasi jumlah terpulihkan adalah nilai tertinggi antara nilai wajar dikurangi biaya pelepasan dan nilai pakai. Dalam menilai nilai pakainya, estimasi arus kas masa depan didiskontokan ke nilai kini menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini dari nilai waktu uang dan risiko spesifik atas aset yang mana estimasi arus kas masa depan belum disesuaikan.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Jika jumlah terpulihkan dari aset non-keuangan (unit penghasil kas) lebih kecil dari nilai tercatatnya, nilai tercatat aset (unit penghasil kas) diturunkan menjadi sebesar jumlah terpulihkan dan rugi penurunan nilai segera diakui dalam laba rugi.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

Kebijakan akuntansi untuk penurunan nilai aset keuangan dijelaskan dalam Catatan 3h; penurunan nilai untuk goodwill dijelaskan dalam Catatan 3t.

Accounting policy for impairment of financial assets is discussed in Note 3h; while impairment for goodwill is discussed in Note 3t.

w. Aset Eksplorasi dan Evaluasi

w. Exploration and Evaluation Assets

Aktivitas eksplorasi dan evaluasi meliputi pencarian sumber daya mineral, penentuan kelayakan teknis dan penilaian komersial atas sumber daya mineral spesifik.

Exploration and evaluation activity involves the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Pengeluaran eksplorasi dan evaluasi meliputi biaya yang berhubungan langsung dengan:

- perolehan hak untuk eksplorasi;
- kajian topografi, geologi, geokimia, dan geofisika;
- pengeboran eksplorasi;
- pemaritan dan pengambilan contoh; dan
- aktivitas yang terkait dengan evaluasi kelayakan teknis dan komersial atas penambangan sumber daya mineral.

Biaya eksplorasi dan evaluasi yang berhubungan dengan suatu *area of interest* dibebankan pada saat terjadinya kecuali biaya tersebut dikapitalisasi dan ditangguhkan, berdasarkan *area of interest*, apabila memenuhi salah satu dari ketentuan berikut ini:

(i) biaya tersebut diharapkan dapat diperoleh kembali melalui keberhasilan pengembangan dan eksploitasi di *area of interest* tersebut atau melalui penjualan atas *area of interest* tersebut; atau
(ii) kegiatan eksplorasi dalam *area of interest* tersebut belum mencapai tahap yang memungkinkan penentuan adanya cadangan terbukti yang secara ekonomis dapat diperoleh, serta kegiatan yang aktif dan signifikan dalam atau berhubungan dengan *area of interest* tersebut masih berlanjut.

Biaya yang dikapitalisasi mencakup biaya-biaya yang berkaitan langsung dengan aktivitas eksplorasi dan evaluasi pada *area of interest* yang relevan. Biaya umum dan administrasi dialokasikan sebagai aset eksplorasi atau evaluasi hanya jika biaya tersebut berkaitan langsung dengan aktivitas operasional pada *area of interest* yang relevan.

Aset eksplorasi dan evaluasi dicatat sebesar harga perolehan dikurangi kerugian penurunan nilai. Karena belum siap untuk digunakan, aset tersebut tidak disusutkan.

Aset eksplorasi dan evaluasi diuji penurunan nilainya ketika fakta dan kondisi mengindikasikan adanya penurunan nilai. Aset eksplorasi dan evaluasi juga diuji penurunan nilainya ketika terjadi penemuan cadangan komersial, sebelum aset tersebut ditransfer ke properti pengembangan.

x. Properti Pengembangan

Biaya pengembangan yang dikeluarkan oleh atau untuk kepentingan Perusahaan dan entitas anak diakumulasi secara terpisah untuk setiap *area of interest* pada saat cadangan terpulihkan yang secara ekonomis dapat diidentifikasi. Biaya tersebut termasuk biaya yang dapat diatribusikan secara langsung pada konstruksi tambang dan infrastruktur terkait.

Exploration and evaluation expenditures comprise of costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation expenditures related to an area of interest is written off as incurred, unless they are capitalized and carried forward, on an area of interest basis, provided one of the following conditions is met:

(i) the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

(ii) exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

Capitalized costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Exploration and evaluation assets are recorded at cost less impairment charges. As the asset is not available for use, it is not depreciated.

Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to development properties.

x. Development Properties

Development expenditures incurred by or on behalf of the Company and its subsidiaries are accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditures comprise of costs directly attributable to the construction of a mine and the related infrastructure.

Tahap pengembangan dimulai setelah kelayakan teknis dan komersial untuk penggalian sumber daya mineral yang dibuktikan.

Ketika keputusan pengembangan telah diambil, jumlah tercatat aset eksplorasi dan evaluasi pada *area of interest* tertentu diagregat dengan biaya pengembangan dan diklasifikasikan dalam aset tidak lancar sebagai "properti pengembangan".

Properti pengembangan direklasifikasi sebagai "properti pertambangan" pada akhir tahap komisioning, ketika tambang tersebut dapat beroperasi sesuai dengan maksud manajemen.

Properti pengembangan tidak disusutkan sampai properti pengembangan tersebut direklasifikasi menjadi "properti pertambangan".

Properti pengembangan diuji penurunan nilainya berdasarkan kebijakan pada Catatan 3v.

Development phase begins after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Once a development decision has been taken, the carrying amount of the exploration and evaluation assets relating to the area of interest is aggregated with the development expenditure and classified under non-current assets as "development properties".

A development property is reclassified as a "mining property" at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognized for development properties until they are reclassified as "mining properties".

Development properties are tested for impairment in accordance with the policy in Note 3v.

y. Properti Pertambangan

Ketika biaya pengembangan lebih lanjut atas properti pertambangan terjadi setelah dimulainya aktivitas produksi, maka biaya tersebut akan ditangguhkan sebagai bagian dari properti pertambangan apabila terdapat kemungkinan besar manfaat ekonomi masa depan tambahan sehubungan dengan biaya tersebut akan mengalir ke Perusahaan dan entitas anak. Jika tidak, biaya tersebut dibebankan sebagai biaya produksi.

Properti pertambangan (termasuk biaya eksplorasi, evaluasi dan pengembangan, dan pembayaran untuk memperoleh hak atas mineral dan sewa) diamortisasi menggunakan metode unit produksi, dengan perhitungan terpisah untuk setiap *area of interest*. Basis unit produksi menghasilkan pembebanan amortisasi secara proporsional berdasarkan deplesi cadangan terbukti dan cadangan terduga.

Properti pertambangan diuji penurunan nilai berdasarkan kebijakan pada Catatan 3v.

y. Mining Properties

When further development expenditures are incurred on a mining property after the commencement of production, the expenditures are carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the Company and its subsidiaries. Otherwise these expenditures are classified as a cost of production.

Mining properties (including exploration, evaluation and development expenditures, and payments to acquire mineral rights and leases) are amortized using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortization charge proportional to the depletion of the proved and probable reserves.

Mining properties are tested for impairment in accordance with the policy described in Note 3v.

z. Aset Aktivitas Pengupasan Lapisan Tanah

Dalam operasi pertambangan terbuka, Perusahaan mungkin memandang perlu untuk memindahkan material sisa tambang *(overburden)* untuk mendapatkan akses menuju cadangan bijih mineral *(mineral ore).* Aktivitas pemindahan material sisa tersebut dikenal sebagai "pengupasan lapisan tanah".

Selama tahap pengembangan tambang (sebelum dimulai produksi), biaya pengupasan lapisan tanah umumnya dikapitalisasi sebagai bagian dari biaya pembangunan, pengembangan dan konstruksi tambang yang dapat disusutkan berdasarkan unit produksi.

z. Stripping Activity Asset

In open pit mining operations, overburden and other waste materials must be removed to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping.

During the development of a mine (or pit), before production commences, stripping costs are capitalized as part of the cost of construction of the mine (or pit) and are subsequently amortized over the life of the mine (or pit) on a units of production basis.

Selama tahap produksi ketiga kriteria berikut harus terpenuhi agar biaya pengupasan lapisan tanah dapat dikapitalisasi sebagai aset aktivitas pengupasan lapisan tanah:

- besar kemungkinan bahwa manfaat ekonomi masa depan (peningkatan akses menuju badan bijih (*ore body*) yang terkait dengan aktivitas pengupasan lapisan tanah akan mengalir kepada perusahaan;
- perusahaan dapat mengidentifikasi komponen badan bijih yang aksesnya telah ditingkatkan; dan
- biaya yang terkait dengan aktivitas pengupasan lapisan tanah dengan komponen tersebut dapat diukur secara andal.

During the production phase the following three criteria must be met in order for stripping costs to qualify for capitalization as a stripping activity asset:

- it must be probable that there will be an economic benefit in a future accounting period because the stripping activity has improved access to the orebody;
- it must be possible to identify the "component" of the ore body for which access has been improved; and
- it must be possible to reliably measure the costs that relate to the stripping activity.

"Komponen" adalah bagian tertentu dari badan bijih yang dibuat menjadi lebih mudah diakses sebagai akibat dari aktivitas pengupasan lapisan tanah. Komponen ini biasanya bagian dari badan bijih yang lebih besar yang diidentifikasi dengan umur manfaat ekonomi yang dipisah.

A "component" is a specific section of the orebody that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life.

Tahap produksi pengupasan lapisan tanah dapat memperoleh dua manfaat: bijih yang masih bermanfaat di masa sekarang dan peningkatan akses bijih yang akan ditambang di masa depan. Ketika biaya perolehan aset aktivitas pengupasan lapisan tanah dan persediaan yang diproduksi tidak dapat diidentifikasi secara terpisah, maka biaya pengupasan lapisan tanah dialokasikan dari biaya produksi kepada setiap aktivitas berdasarkan produksi yang relevan yang diukur menggunakan umur dari rasio pengupasan komponen. Rasio pengupasan komponen membagi tonase limbah tambang komponen untuk periode berjalan baik dengan menggunakan jumlah bijih yang telah ditambang atau dengan jumlah mineral yang terkandung dalam bijih yang telah ditambang untuk komponen tersebut. Dalam beberapa kegiatan, jumlah bijih yang merupakan dasar yang lebih tepat untuk alokasi biaya, terutama ketika terdapat pilihan yang lebih baik. Biaya pengupasan tanah untuk komponen akan ditangguhkan sampai *current period ratio* melebihi umur manfaat rasio komponen. Aset aktivitas pengupasan lapisan tanah disusutkan atau diamortisasi menggunakan dasar yang sistematis, selama umur manfaat ekspektasian dari komponen badan bijih atau terkandung mineral. Metode unit produksi diterapkan kecuali terdapat metode lain yang lebih tepat.

Production phase stripping can give rise to two benefits: the extraction of ore in the current period and improved access to ore which will be extracted in future periods. When the cost of stripping which has a future benefit is not distinguishable from the cost of producing current inventories, the stripping cost is allocated to each of these activities based on a relevant production measure using a life of component strip ratio. The ratio divides the tonnage of waste mined for the component for the period either by the quantity of ore mined for the component or by the quantity of minerals contained in the ore mined for the component. In some operations, the quantity of ore is a more appropriate basis for allocating costs, particularly where there are significant byproducts. Stripping costs for the component are deferred to the extent that the current period ratio exceeds the life of component ratio. The stripping activity asset is depreciated on a "units of production" basis based on expected production of either ore or contained minerals over the life of the component unless another method is more appropriate.

Umur manfaat rasio komponen diidentifikasi berdasarkan cadangan bijih di tambang (dan untuk beberapa tambang, sumber daya mineral lainnya) dan rencana tambang tahunan; merupakan fungsi dari desain tambang dan perubahan untuk desain tersebut akan menghasilkan perubahan pada rasio. Perubahan pada hal teknis atau parameter ekonomi lainnnya yang berdampak pada cadangan bijih (dan untuk beberapa tambang, sumber daya mineral lainnya) juga dapat berdampak pada umur manfaat rasio komponen walapun hal tersebut tidak berdampak pada desain tambang. Perubahan pada rasio dihitung untuk masa yang akan datang.

The life of component ratios are based on the ore reserves of the mine (and for some mines, other mineral resources) and the annual mine plan; they are a function of the mine design and therefore changes to that design will generally result in changes to the ratios. Changes in other technical or economic parameters that impact the ore reserves (and for some mines, other mineral resources) may also have an impact on the life of component ratios even if they do not affect the mine design. Changes to the ratios are accounted for prospectively.

Aktivitas aset pengupasan tanah disajikan terpisah pada laporan posisi keuangan konsolidasian. Amortisasi dari biaya pengupasan yang ditangguhkan termasuk dalam "Amortisasi" dalam "Beban Penjualan".

Stripping activity assets are presented separately on the consolidated statements of financial position. Amortization of deferred stripping costs is included in "Amortization" within "Costs of Goods Sold".

aa. Provisi

Provisi diakui ketika Perusahaan dan entitas anak memiliki liabilitas kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu, kemungkinan besar Perusahaan dan entitas anak diharuskan menyelesaikan liabilitas dan estimasi andal mengenai jumlah liabilitas tersebut dapat dibuat.

Jumlah yang diakui sebagai provisi merupakan estimasi terbaik dari pertimbangan yang diperlukan untuk menyelesaikan liabilitas kini pada akhir periode pelaporan, dengan mempertimbangkan risiko dan ketidakpastian yang meliputi liabilitasnya. Apabila suatu provisi diukur menggunakan arus kas yang diperkirakan untuk menyelesaikan liabilitas kini, maka nilai tercatatnya adalah nilai kini dari arus kas.

Ketika beberapa atau seluruh manfaat ekonomi untuk penyelesaian provisi yang diharapkan dapat dipulihkan dari pihak ketiga, piutang diakui sebagai aset apabila terdapat kepastian bahwa penggantian akan diterima dan jumlah piutang dapat diukur secara andal.

aa. Provision

Provisions are recognized when the Company and its subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that the Company and its subsidiaries 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.

bb. Pengakuan Pendapatan dan Beban

Pendapatan dan Beban Kontrak

Pendapatan kontrak konstruksi diakui dengan menggunakan metode persentase penyelesaian yang diukur dari tahap penyelesaian kontrak pada tanggal pelaporan oleh *engineer* dan disetujui oleh pemilik proyek. Pada tanggal pelaporan, selisih lebih estimasi pendapatan diatas tagihan kemajuan kontrak disajikan sebagai aset lancar, sedangkan selisih lebih tagihan kemajuan kontrak diatas estimasi pendapatan disajikan sebagai liabilitas jangka pendek.

bb. Revenue and Expense Recognition

Contract Revenue and Cost of Contract

Revenue from construction contract is recognized using the percentage-of-completion method, measured by percentage of work completed to date as estimated by engineers and approved by the project owner. At reporting dates, estimated earnings in excess of billings on construction contracts are presented as current assets, while billings in excess of estimated earnings are presented as current liability.

Bila hasil kontrak konstruksi tidak dapat diestimasi secara andal, maka pendapatan kontrak diakui hanya sebesar biaya yang terjadi sepanjang biaya tersebut diperkirakan dapat dipulihkan. Biaya kontrak diakui sebagai beban dalam periode terjadinya.

Bila besar kemungkinan bahwa jumlah biaya kontrak konstruksi melebihi jumlah pendapatan kontrak, maka taksiran kerugian segera diakui sebagai beban. Biaya kontrak meliputi seluruh biaya material, tenaga kerja dan biaya tidak langsung yang berhubungan dengan kontrak.

Penjualan Barang

Pendapatan dari penjualan barang diakui bila seluruh kondisi berikut dipenuhi:

- Perusahaan dan entitas anak telah memindahkan risiko secara signifikan dan memindahkan manfaat kepemilikan barang kepada pembeli;
- Perusahaan dan entitas anak tidak lagi mengelola atau melakukan pengendalian efektif atas barang yang dijual;
- Jumlah pendapatan tersebut dapat diukur dengan andal;
- Besar kemungkinan manfaat ekonomi sehubungan dengan transaksi akan mengalir kepada Perusahaan dan entitas anak tersebut; dan
- Biaya yang terjadi atau yang akan terjadi sehubungan transaksi penjualan dapat diukur dengan andal.

Penjualan Jasa

Jika hasil transaksi yang terkait dengan penjualan jasa dapat diestimasi secara andal, maka pendapatan sehubungan dengan transaksi tersebut diakui dengan acuan pada tingkat penyelesaian dari transaksi pada akhir periode pelaporan.

Tingkat penyelesaian transaksi dapat ditentukan dengan berbagai metode. Entitas menggunakan metode yang dapat mengukur secara andal jasa yang diberikan. Bergantung pada sifat transaksi, metode tersebut dapat mencakup:

a. Survei pekerjaan yang telah dilaksanakan;
b. Jasa yang dilakukan hingga tanggal tertentu sebagai persentase dari total jasa yang dilakukan; atau
c. Proporsi biaya yang timbul hingga tanggal tertentu dibagi estimasi total biaya transaksi tersebut. Hanya biaya yang mencerminkan jasa yang dilaksanakan hingga tanggal tertentu dimasukkan dalam biaya yang terjadi hingga tanggal tersebut. Hanya biaya yang mencerminkan jasa yang dilakukan atau akan dilakukan yang dimasukkan ke dalam estimasi total biaya transaksi tersebut.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognized to the extent of contract costs incurred that is probable to be recoverable. Contract costs are recognized as expenses in the period they are incurred.

When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately. Cost of contracts include all direct materials, labor and other indirect costs related to the performance of the contracts.

Sale of Goods

Revenue from sales of goods is recognized when all of the following conditions are satisfied:

- The Company and its subsidiaries have transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company and its subsidiaries; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the reporting period.

The stage of completion of a transaction may be determined by a variety of methods. An entity uses the method that measures reliably the services performed. Depending on the nature of the transaction, the methods may include:

a. Surveys of work performed;
b. Services performed to date as a percentage of total services to be performed; or
c. The proportion that costs incurred to date bear to the estimated total costs of the transaction. Only costs that reflect services performed to date are included in costs incurred to date. Only costs that reflect services performed or to be performed are included in the estimated total costs of the transaction.

Pendapatan dari pemberian jasa yang sudah terjadi tetapi belum ditagih pada tanggal laporan keuangan diakui sebagai piutang usaha yang belum ditagih.

Revenue from services that have been rendered but not yet billed at reporting date are recognized as unbilled receivable.

Pendapatan bunga

Pendapatan bunga diakui berdasarkan metode suku bunga efektif.

Interest Revenue

Interest revenue is recognized using the effective interest method.

Beban

Beban diakui pada saat terjadinya.

Expenses

Expenses are recognized when incurred.

cc. Imbalan Pasca Kerja

Perusahaan dan entitas anak membukukan imbalan pasca kerja imbalan pasti untuk karyawannya sesuai dengan Undang-undang Ketenagakerjaan No. 13/2003. Tidak terdapat pendanaan yang disisihkan oleh Perusahaan dan entitas anak sehubungan dengan imbalan pasca kerja ini.

Biaya penyediaan imbalan ditentukan dengan menggunakan metode *projected unit credit* dengan penilaian aktuaria yang dilakukan pada setiap akhir periode pelaporan tahunan. Pengukuran kembali, terdiri dari keuntungan dan kerugian aktuarial, perubahan dampak batas atas aset (jika ada) dan dari imbal hasil atas aset program (tidak termasuk bunga), yang tercermin langsung dalam laporan posisi keuangan konsolidasian yang dibebankan atau dikreditkan dalam penghasilan komprehensif lain periode terjadinya. Pengukuran kembali diakui dalam penghasilan komprehensif lain tercermin sebagai pos terpisah pada komponen ekuitas lainnya dan tidak akan direklas ke laba rugi. Biaya jasa lalu diakui dalam laba rugi pada periode amandemen program. Bunga neto dihitung dengan mengalikan tingkat diskonto pada awal periode imbalan pasti dengan liabilitas atau aset imbalan pasti neto. Biaya imbalan pasti dikategorikan sebagai berikut:

- Biaya jasa (termasuk biaya jasa kini, biaya jasa lalu serta keuntungan dan kerugian kurtailmen dan penyelesaian)
- Beban atau pendapatan bunga neto
- Pengukuran kembali

Perusahaan dan entitas anak menyajikan dua komponen pertama dari biaya imbalan pasti di laba rugi, Keuntungan dan kerugian kurtailmen dicatat sebagai biaya jasa lalu.

Liabilitas untuk pesangon diakui pada lebih awal ketika entitas tidak dapat lagi menarik tawaran imbalan tersebut dan ketika entitas mengakui biaya restrukturisasi terkait.

cc. Employee Benefits

The Company and its subsidiaries provide defined post-employment benefits to their employees in accordance with Labor Law No. 13/2003. No funding has been made to the defined benefit plans.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected as a separate item under other components of equity and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Company and its subsidiaries present the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

dd. Program Opsi Saham Karyawan dan Manajemen

Program Opsi Saham Karyawan dan Manajemen (EMSOP) adalah suatu penetapan pemberian kompensasi yang diselesaikan dengan pemberian ekuitas berbasis saham yang ditentukan sebesar nilai wajar atas instrumen ekuitas tersebut pada tanggal pemberian kompensasi. Nilai wajar tersebut dibebankan dengan menggunakan metode garis lurus selama periode *vesting* berdasarkan estimasi manajemen atas instrumen ekuitas tersebut yang pada akhirnya akan diberikan. Pada setiap tanggal pelaporan, pihak manajemen akan merevisi estimasi atas jumlah instrumen ekuitas yang diharapkan akan diberikan. Jika terdapat pengaruh atas revisi terhadap estimasi awal akan diakui dalam laporan laba rugi selama sisa periode *vesting* dengan menyesuaikan akun Opsi Saham yang merupakan bagian dari ekuitas.

dd. Employee and Management Stock Option Program

Employee and Management Stock Option Program (EMSOP), an equity-settled share based payment arrangement, is measured at the fair value of the equity instrument at grant date. The fair value determined at grant date is expensed on a straight-line basis over the vesting period, based on management estimate of equity instruments that will eventually vest. At reporting dates, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognized in profit and loss over the remaining vesting period, with a corresponding adjustment in Stock Option account under equity.

ee. Pajak Penghasilan

Pajak saat terutang berdasarkan laba kena pajak untuk suatu tahun. Laba kena pajak berbeda dari laba sebelum pajak seperti yang dilaporkan dalam laporan laba rugi dan penghasilan komprehensif lain karena pos pendapatan atau beban yang dikenakan pajak atau dikurangkan pada tahun berbeda dan pos-pos yang tidak pernah dikenakan pajak atau tidak dapat dikurangkan.

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam periode yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku.

Pajak tangguhan diakui atas perbedaan temporer antara jumlah tercatat aset dan liabilitas dalam laporan keuangan konsolidasian dengan dasar pengenaan pajak yang digunakan dalam perhitungan laba kena pajak. Liabilitas pajak tangguhan umumnya diakui untuk seluruh perbedaan temporer kena pajak. Aset pajak tangguhan umumnya diakui untuk seluruh perbedaan temporer yang dapat dikurangkan sepanjang kemungkinan besar bahwa laba kena pajak akan tersedia sehingga perbedaan temporer dapat dimanfaatkan. Aset dan liabilitas pajak tangguhan tidak diakui jika perbedaan temporer timbul dari pengakuan awal (bukan kombinasi bisnis) dari aset dan liabilitas suatu transaksi yang tidak mempengaruhi laba kena pajak atau laba akuntansi. Selain itu, liabilitas pajak tangguhan tidak diakui jika perbedaan temporer timbul dari pengakuan awal goodwill.

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan berlaku dalam periode ketika liabilitas diselesaikan atau aset dipulihkan berdasarkan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

ee. Income Tax

The tax currently payable is based on taxable profit to the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other 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.

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Perusahaan dan entitas anak memperkirakan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

Jumlah tercatat aset pajak tangguhan ditelaah ulang pada akhir periode pelaporan dan dikurangi jumlah tercatatnya jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut.

Pajak kini dan pajak tangguhan diakui sebagai beban atau penghasilan dalam laba rugi periode, kecuali sepanjang pajak penghasilan yang timbul dari transaksi atau peristiwa yang diakui, di luar laba rugi (baik dalam penghasilan komprehensif lain maupun secara langsung di ekuitas), dalam hal tersebut pajak juga diakui di luar laba rugi atau yang timbul dari akuntansi awal kombinasi bisnis. Dalam kombinasi bisnis, pengaruh pajak termasuk dalam akuntansi kombinasi bisnis.

Aset dan liabilitas pajak tangguhan saling hapus ketika entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini dan ketika aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama atas entitas kena pajak yang sama atau entitas kena pajak yang berbeda yang memiliki intensi untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan dimana jumlah signifikan atas aset atau liabilitas pajak tangguhan diharapkan untuk diselesaikan atau dipulihkan.

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

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced 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.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

ff. Pajak Final

Atas pendapatan dari jasa konstruksi, kapal dan sewa gedung dikenakan pajak penghasilan final, beban pajak diakui secara proporsional dengan jumlah pendapatan menurut akuntansi yang diakui pada periode berjalan. Selisih antara jumlah pajak penghasilan final terutang dengan jumlah yang dibebankan sebagai pajak kini pada perhitungan laba rugi diakui sebagai pajak dibayar dimuka atau utang pajak. Akun pajak penghasilan final dibayar dimuka disajikan terpisah dari utang pajak penghasilan final.

ff. Final Tax

Tax expense on revenues from construction services, vessels and office rental are subject to final tax which is recognized proportionately based on the revenue recognized in the current year. The difference between the final tax paid and current tax expense in profit or loss is recognized as prepaid tax or tax payable. Prepaid final tax is presented separately from final tax payable.

gg. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba bersih dengan jumlah rata-rata tertimbang saham yang beredar pada tahun yang bersangkutan.

Laba per saham dilusian dihitung dengan membagi laba bersih dengan jumlah rata-rata tertimbang saham biasa yang telah disesuaikan dengan dampak dari semua efek berpotensi saham biasa bersifat dilutif.

gg. Earnings per Share

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

Diluted earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding as adjusted for the effects of all dilutive potential ordinary shares.

hh. Informasi Segmen

Segmen operasi diidentifikasi berdasarkan laporan internal mengenai komponen dari Perusahaan dan entitas anak yang secara regular di*review* oleh "pengambil keputusan operasional" dalam rangka mengalokasikan sumber daya dan menilai kinerja segmen operasi.

Segmen operasi adalah suatu komponen dari entitas:

a) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
b) yang hasil operasinya dikaji ulang secara regular oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
c) dimana tersedia informasi keuangan yang dapat dipisahkan.

Informasi yang digunakan oleh pengambil keputusan operasional dalam rangka alokasi sumber daya dan penillaian kinerja mereka terfokus pada kategori dari setiap produk.

Kebijakan akuntansi yang digunakan dalam menyusun informasi segmen sesuai dengan kebijakan akuntansi yang digunakan dalam menyusun laporan keuangan konsolidasian.

hh. Segment Information

Operating segments are identified on the basis of internal reports about components of the Company and its subsidiaries that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);
b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance; and
c) for which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is more specifically focused on the category of each product.

The accounting policies used in preparing segment information are the same as those used in preparing the consolidated financial statements.

ii. Penyisihan Liabilitas Pengelolaan dan Reklamasi Lingkungan Hidup

Restorasi, rehabilitasi dan biaya lingkungan hidup lainnya yang timbul selama tahap produksi dibebankan sebagai bagian dari biaya produksi.

Perusahaan dan entitas anak memiliki liabilitas tertentu untuk restorasi dan rehabilitasi daerah pertambangan sesudah produksi selesai. Perusahaan dan entitas anak menghitung besarnya liabilitas tersebut yang mencukupi untuk memenuhi liabilitas yang timbul ketika produksi sudah selesai. Perubahan taksiran biaya restorasi dan lingkungan hidup yang akan terjadi dihitung secara prospektif berdasarkan sisa umur tambang.

ii. Estimated Liability for Environmental Management and Reclamation

Restoration, rehabilitation and other environmental costs incurred during the production phase of exploration are expensed as part of production costs.

The Company and its subsidiaries has certain obligations to restore and rehabilitate mining areas following the completion of production. Such obligations are accrued, so that the accrual will be adequate to meet those obligations once the productions process is fully completed. Changes is estimated restoration and environmental costs to be incurred are accounted for on a prospective basis over the remaining life of the mine.

4. PERTIMBANGAN KRITIS DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan manajemen membuat estimasi dan asumsi yang mempengaruhi jumlah aset dan liabilitas yang dilaporkan dan pengungkapan aset dan liabilitas kontinjensi pada tanggal laporan keuangan konsolidasian serta jumlah pendapatan dan beban selama periode pelaporan. Realisasi dapat berbeda dengan jumlah yang diestimasi.

4. CRITICAL ACCOUNTING JUDGMENT AND ESTIMATES

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimasi dan asumsi yang mendasari ditelaah secara berkelanjutan. Revisi estimasi akuntansi diakui dalam periode yang perkiraan tersebut direvisi jika revisi hanya mempengaruhi periode itu, atau pada periode revisi dan periode masa depan jika revisi mempengaruhi kedua periode saat ini dan masa depan.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

Pertimbangan Kritis dalam Penerapan Kebijakan Akuntansi

Dalam proses penerapan prinsip akuntansi sebagaimana dijelaskan dalam Catatan 3, tidak terdapat pertimbangan kritis yang mempunyai efek yang signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian, selain dari yang sudah dijelaskan dibawah ini.

Critical Judgements in Applying Accounting Policies

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

Sumber Estimasi Ketidakpastian

Informasi tentang asumsi utama yang dibuat mengenai masa depan dan sumber utama dari estimasi ketidakpastian lain pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan dibawah ini.

Key Sources of Estimation Uncertainty

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

Rugi Penurunan Nilai Pinjaman yang Diberikan dan Piutang

Perusahaan dan entitas anak menilai penurunan nilai pinjaman yang diberikan dan piutang berdasarkan analisis atas ketertagihan piutang dan pinjaman yang diberikan. Penyisihan dibentuk terhadap pinjaman yang diberikan dan piutang apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa saldo tersebut tidak akan tertagih. Identifikasi penurunan nilai pinjaman yang diberikan dan piutang memerlukan pertimbangan dan estimasi. Apabila ekspektasi berbeda dari estimasi awal, maka perbedaan ini akan berdampak terhadap nilai tercatat pinjaman yang diberikan dan piutang serta kerugian penurunan nilainya pada tahun mana perubahan estimasi tersebut terjadi. Nilai tercatat pinjaman yang diberikan dan piutang telah diungkapkan dalam Catatan 5, 6, 7, 8, 9 dan 49 atas laporan keuangan konsolidasian.

Impairment Loss on Loans and Receivables

The Company and its subsidiaries make allowance for impairment losses based on an assessment of the recoverability of loans and receivables. Allowances are applied to loans and receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss on loans and receivables requires the use of judgment and estimates. Where the expectations are different from the original estimate, such difference will impact the carrying amount of loans and receivable and the related provision for impairment losses in the year in which such estimate has changed. The carrying amounts of loans and receivable are disclosed in Notes 5, 6, 7, 8, 9 and 49 to the consolidated financial statements.

Penyisihan Penurunan Nilai Persediaan

Perusahaan dan entitas anak membuat penyisihan penurunan nilai apabila persediaan tersebut diestimasi tidak akan digunakan atau akan bergerak secara lambat pada masa mendatang. Walaupun asumsi yang digunakan dalam mengestimasi penyisihan penurunan nilai yang tercermin dalam laporan keuangan konsolidasian dianggap telah sesuai dan wajar, namun perubahan signifikan atas asumsi ini akan berdampak material terhadap penentuan nilai tercatat persediaan dan biaya penurunan nilai, yang pada akhirnya akan mempengaruhi hasil usaha Perusahaan dan entitas anak. Nilai perolehan atas persediaan diungkapkan di Catatan 10 pada laporan keuangan konsolidasian.

Allowance for Decline in Value of Inventories

The Company and its subsidiaries make allowance for decline in value based on their estimation that there will be no future usage of such inventories or such inventories will be slow moving in the future. While it is believed that the assumptions used in the estimation of the allowance for decline in value reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the carrying amount of the inventories and provision for decline in value expense, which ultimately impact the result of the Company and its subsidiaries' operations. The carrying amounts of inventories are diclosed in Note 10 to the consolidated financial statements.

Taksiran Cadangan

Cadangan batubara merupakan perkiraan dari jumlah batubara yang ekonomis dan secara hukum dapat diekstraksi dari wilayah konsesi Perusahaan dan entitas anak. Dalam rangka untuk memperkirakan cadangan batubara, asumsi yang diperlukan tentang berbagai faktor geologi, teknis dan ekonomi, termasuk jumlah, teknik produksi, rasio pengupasan, biaya produksi, biaya transportasi, permintaan komoditas, harga komoditas belanja modal masa depan, kewajiban penutupan tambang dan pertukaran tarif.

Memperkirakan kuantitas dan/atau nilai kalor dari cadangan batubara membutuhkan ukuran, bentuk dan kedalaman lapisan batubara atau bidang yang akan ditentukan dengan menganalisis data geologi seperti sampel pengeboran. Proses ini mungkin memerlukan penilaian geologi yang kompleks dan sulit untuk menafsirkan data.

Karena asumsi ekonomi yang digunakan untuk memperkirakan cadangan berubah dari tahun ke tahun dan karena data geologi tambahan yang dihasilkan selama operasi, perkiraan cadangan dapat berubah dari tahun ke tahun. Perubahan cadangan dilaporkan dapat mempengaruhi hasil keuangan konsolidasi Perusahaan dan entitas anak dan posisi keuangan dalam berbagai cara, termasuk berikut:

- Nilai tercatat aset mungkin akan terpengaruh karena perubahan perkiraan arus kas masa depan;
- Penyusutan, deplesi dan amortisasi dibebankan ke laporan laba rugi dapat berubah di mana biaya tersebut ditentukan berdasarkan metode unit produksi atau di mana masa manfaat ekonomi dari perubahan aset;
- Penyisihan penutupan tambang bisa berubah di mana perubahan dalam estimasi cadangan mempengaruhi harapan tentang waktu atau biaya kegiatan tersebut; dan
- Nilai tercatat aset pajak tangguhan/kewajiban dapat berubah karena perubahan estimasi dari kemungkinan atas pemulihan manfaat pajak.

Taksiran Masa Manfaat Ekonomis Aset Tetap

Masa manfaat setiap aset tetap Perusahaan dan entitas anak ditentukan berdasarkan kegunaan yang diharapkan dari penggunaan aset tersebut. Estimasi ini ditentukan berdasarkan evaluasi teknis internal dan pengalaman Perusahaan dan entitas anak atas aset sejenis. Masa manfaat setiap aset di*review* secara periodik dan disesuaikan apabila prakiraan berbeda dengan estimasi sebelumnya karena keausan, keusangan teknis dan komersial, hukum atau keterbatasan lainnya atas pemakaian aset. Namun terdapat kemungkinan bahwa hasil operasi dimasa mendatang dapat dipengaruhi secara signifikan oleh perubahan atas jumlah serta periode pencatatan biaya yang diakibatkan karena perubahan faktor yang disebutkan diatas.

Reserve Estimates

Coal reserves are estimates of the amounts of coal that can be economically and legally extracted from the Company and its subsidiaries's concession area. In order to estimate coal reserves, assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, stripping ratios, production costs, transport costs, commodity demand, commodity prices future capital expenditure, mine closure obligation and exchange rates.

Estimating the quantity and/or calorific value of coal reserves requires the size, shape and depth of coal seam or fields to be determined by analyzing geological data such as drilling samples. This process may require complex and difficult geological judgements to interpret the data.

Because the economic assumptions used to estimate reserves change from year to year and because additional geological data is generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Company and its subsidiaries's consolidated financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in the estimated future cash flows;
- Depreciation, depletion and amortization charged to profit or loss may change where such charges are determined based on a unit-of-production method or where the economic useful lives of assets change;
- Provision for mine closure may change where changes in estimated reserves affect expectations about the timing or cost of these activities; and
- The carrying value of deferred tax assets/liabilities may change due to changes in estimates of the likelihood of the recoverability of the tax benefits.

Estimated Useful Lives of Property, Plant and Equipment

The useful life of each of the item of the Company and its subsidiaries' property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

Perubahan masa manfaat aset tetap dapat mempengaruhi jumlah biaya penyusutan yang diakui dan penurunan nilai tercatat aset tetap.

A change in the estimated useful life of any item of property, plant and equipment would affect the recorded depreciation expense and decrease in the carrying amount of property, plant and equipment.

Nilai tercatat aset tetap telah diungkapkan pada Catatan 20 atas laporan keuangan konsolidasian.

The aggregate carrying amounts of property, plant and equipment is disclosed in Note 20 to the consolidated financial statements.

Penurunan Nilai Aset Bukan Keuangan

Aset berwujud dan tidak berwujud, selain goodwill, dilakukan uji penurunan nilai ketika terdapat indikasi penurunan nilai. Sedangkan untuk goodwill, uji penurunan nilai harus dilakukan minimal setiap tahun, baik ada atau tidak adanya indikasi penurunan nilai. Penentuan nilai pakai aset memerlukan estimasi mengenai arus kas yang diharapkan untuk dihasilkan dari penggunaan aset (unit penghasil kas) dan penjualan aset tersebut serta tingkat diskonto yang sesuai untuk menentukan nilai sekarang.

Walaupun asumsi yang digunakan dalam mengestimasi nilai pakai aset yang tercermin dalam laporan keuangan konsolidasian dianggap telah sesuai dan wajar, namun perubahan signifikan atas asumsi ini akan berdampak material terhadap penentuan jumlah yang dapat dipulihkan dan akibatnya kerugian penurunan nilai yang timbul akan berdampak terhadap hasil usaha.

Nilai tercatat aset non-keuangan yang dilakukan uji penurunan nilai telah diungkapkan dalam Catatan 13, 15, 16, 17, 19, 20, 21 dan 22 atas laporan keuangan konsolidasian.

Impairment of Non-Financial Asset

Tangible and intangible assets, other than goodwill, are reviewed for impairment whenever impairment indicators are present. While for goodwill, impairment testing is required to be performed at least annually irrespective of whether or not there are indicators of impairment. Determining the value in use of assets requires the estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets (cash generating unit) and a suitable discount rate in order to calculate the present value.

While it is believed that the assumptions used in the estimation of the value in use of assets reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse impact on the results of operations.

The carrying amount of non-financial assets, on which impairment analysis are applied, were described in Notes 13, 15, 16, 17, 19, 20, 21 and 22 to the consolidated financial statements.

Liabilitas Imbalan Pasca Kerja

Penentuan liabilitas imbalan pasca kerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Walaupun asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pasca kerja Perusahaan dan entitas anak. Detail atas liabilitas imbalan pasca kerja diungkapkan dalam Catatan 31.

Employment Benefits Obligation

The determination of post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. While it is believed that the Company and its subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company and its subsidiaries' employment benefit obligations. Details of Employment benefit obligations are disclosed in Note 31.

Menilai Kontrak Konstruksi Berdasarkan Metode Persentase Penyelesaian

Penentuan persentase penyelesaian suatu kontrak konstruksi dalam tahap penyelesaian tergantung pada pertimbangan dan estimasi *engineers*. Walaupun asumsi Perusahaan dan entitas anak dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap pengakuan pendapatan Perusahaan dan entitas anak. Item pada laporan keuangan konsolidasian yang terkait dengan kontrak kontruksi telah diungkapkan dalam Catatan 9 dan 51.

Measuring Construction Contracts in Progress Measured at Percentage-of-Completion

The determination of percentage of completion of construction contracts in progress is dependent on the judgment and estimations of the engineers. While it is believed that the Company and its subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant change in assumptions may materially affect the Company and its subsidiaries' revenue recognition. The items in the consolidated financial statements related to construction contracts are disclosed in Notes 9 and 51.

Nilai wajar atas aset dan liabilitas yang dapat diidentifikasi yang diperoleh dari akuisisi bisnis

Nilai wajar atas aset dan liabilitas yang dapat diidentifikasi yang diperoleh dari akuisisi bisnis ditentukan dengan menggunakan pertimbangan tertentu dalam memilih suatu metode dan membuat asumsi-asumsi yang didasarkan pada kondisi pasar pada tanggal akuisisi.

Apabila penentuan nilai wajar atas aset dan liabilitas yang dapat diidentifikasi yang diperoleh dari akuisisi bisnis dibuat dengan menggunakan asumsi dan kondisi pasar yang berbeda, maka nilai tercatat goodwill, aset tidak berwujud dan aset serta liabilitas yang dapat diidentifikasi yang diperoleh dari akuisisi bisnis dapat terpengaruh.

Penurunan Nilai Goodwil

Menentukan apakah suatu goodwill turun nilainya mengharuskan estimasi nilai pakai unit penghasil kas dimana goodwill dialokasikan. Perhitungan nilai pakai mengharuskan manajemen untuk mengestimasi arus kas masa depan yang diharapkan timbul dari unit penghasil kas yang menggunakan tingkat pertumbuhan yang tepat dan tingkat diskonto yang sesuai untuk perhitungan nilai kini. Dimana aktual arus kas masa depan kurang dari yang diharapkan, kerugian penurunan nilai material mungkin timbul. Detail atas goodwill diungkapkan dalam Catatan 23.

Penilaian instrumen keuangan

Seperti dijelaskan dalam Catatan 48, Perusahaan dan entitas anak menggunakan teknik penilaian yang meliputi input yang tidak didasarkan pada data pasar yang dapat diobservasi untuk mengestimasi nilai wajar dari beberapa jenis instrumen keuangan.

Manajemen berpendapat bahwa teknik penilaian yang dipilih dan asumsi yang digunakan adalah tepat dalam menentukan nilai wajar dari instrumen keuangan.

Fair value of acquired identifiable assets and liabilities from business acquisition

The fair values of acquired identifiable assets and liabilities in a business acquisition are determined by using valuation techniques. The Company and its subsidiaries used their judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the acquisition date.

To the extent that the determination of fair value of acquired identifiable assets and liabilities are made based on different assumptions and market conditions, the carrying amount of goodwill, intangible assets and other acquired identifiable assets and liabilities from such business acquisitions may be affected.

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit using an appropriate growth rate and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Details of goodwill are disclosed in Note 23.

Valuation of financial instruments

As described in Note 48, the Company and its subsidiaries use valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments.

Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

5. KAS DAN SETARA KAS / 5. CASH AND CASH EQUIVALENTS

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Kas			Cash on hand
Rupiah	154.173	173.753	Rupiah
Dollar Amerika Serikat	44.267	46.552	U.S. Dollar
Dollar Singapura	691	706	Singapore Dollar
Bank- Pihak Ketiga			Cash in banks - third parties
Rupiah			Rupiah
PT Bank Mandiri (Persero) Tbk	24.513.017	8.665.966	PT Bank Mandiri (Persero) Tbk
Citibank, N.A.	10.064.954	605.297	Citibank, N.A.
PT Bank Negara Indonesia (Persero) Tbk	6.003.641	502.611	PT Bank Negara Indonesia (Persero) Tbk
The Hongkong and Shanghai Banking Corporation Limited	2.015.511	3.376.313	The Hongkong and Shanghai Banking Corporation Limited
PT Bank Artha Graha International Tbk	551.631	866.628	PT Bank Artha Graha International Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	421.567	58.502	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Pembangunan Daerah Khusus Ibukota Jakarta (Bank DKI)	403.804	-	PT Bank Pembangunan Daerah Khusus Ibukota Jakarta (Bank DKI)
PT Bank Permata Tbk	363.552	11.245	PT Bank Permata Tbk
PT Bank ANZ Indonesia	342.082	115.104	PT Bank ANZ Indonesia
Standard Chartered Bank, Cabang Jakarta	295.542	178.719	Standard Chartered Bank, Jakarta Branch
PT Bank CIMB Niaga Tbk	186.498	155.262	PT Bank CIMB Niaga Tbk
PT Bank Maybank Indonesia Tbk	175.663	199.740	PT Bank Maybank Indonesia Tbk
PT Bank Central Asia Tbk	33.584	20.487	PT Bank Central Asia Tbk
Bank Papua	2.293	985	Bank Papua
PT Bank Pembangunan Daerah Jawa Barat dan Banten, Cabang Bandung	219	222	PT Bank Pembangunan Daerah Jawa Barat and Banten, Bandung Branch
PT Bank Panin Indonesia, Tbk	-	210.688	PT Bank Panin Indonesia, Tbk
PT Bank KEB Indonesia	-	27.390	PT Bank KEB Indonesia
PT Bank Victoria International Tbk	-	14.838	PT Bank Victoria International Tbk
PT Bank UOB Indonesia	-	10.225	PT Bank UOB Indonesia
JP Morgan Chase Bank, N.A.	-	2.813	JP Morgan Chase Bank, N.A.
PT Bank Danamon Indonesia Tbk	-	81	PT Bank Danamon Tbk
Dollar Amerika Serikat			U.S. Dollar
PT Bank Mandiri (Persero) Tbk	53.656.624	49.240.597	PT Bank Mandiri (Persero) Tbk
Citibank, N.A.	42.275.901	46.086.210	Citibank, N.A.
Standard Chartered Bank, Cabang Jakarta	11.133.922	6.906.111	Standard Chartered Bank, Jakarta Branch
PT Bank ANZ Indonesia	5.540.127	2.413.789	PT Bank ANZ Indonesia
Bank Oversea - Chinese Banking Corporation Limited	5.380.728	4.574.157	Bank Oversea - Chinese Banking Corporation Limited
UBS AG	3.228.290	2.220.101	UBS AG
PT Bank Artha Graha International Tbk	2.723.298	2.056.304	PT Bank Artha Graha International Tbk
PT Bank Negara Indonesia (Persero) Tbk	1.478.962	1.520.473	PT Bank Negara Indonesia (Persero) Tbk
DBS Bank Ltd.	1.381.425	9.281.327	DBS Bank Ltd.
ING Bank, N.V.	1.306.969	1.438.862	ING Bank, N.V.
The Hongkong and Shanghai Banking Corporation Limited	914.400	2.144.998	The Hongkong and Shanghai Banking Corporation Limited
PT Bank Permata Tbk	564.576	1.302.985	PT Bank Permata Tbk
Lembaga Pembiayaan Ekspor Indonesia-Indonesia Eximbank	248.704	248.271	Lembaga Pembiayaan Ekspor Indonesia-Indonesia Eximbank
PT Bank CIMB Niaga Tbk	234.477	239.244	PT Bank CIMB Niaga Tbk
PT Bank Maybank Indonesia Tbk	102.604	2.660.396	PT Bank Maybank Indonesia Tbk
PT Bank Central Asia Tbk	1.068	829	PT Bank Central Asia Tbk
JP Morgan Chase Bank, N.A.	-	4.440.420	JP Morgan Chase Bank, N.A.
PT Bank KEB Hana Indonesia	-	1.071.221	PT Bank KEB Hana Indonesia
PT Bank UOB Indonesia	-	164.930	PT Bank UOB Indonesia
PT Bank Permata Syariah	-	43.305	PT Bank Permata Syariah
PT Bank Panin Indonesia Tbk	-	26.172	PT Bank Panin Indonesia Tbk
PT Bank Danamon Indonesia Tbk	-	5.060	PT Bank Danamon Indonesia Tbk
Dilanjutkan	175.744.764	153.329.889	Forward

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Dilanjutkan	175.744.764	153.329.889	Forward
Dollar Singapura			Singapore Dollar
Bank Oversea-Chinese Banking Corporation Limited	1.084.879	405.785	Bank Oversea-Chinese Banking Corporation Limited
DBS Bank Ltd.	886.775	394.209	DBS Bank Ltd.
UBS AG	67.479	-	UBS AG
PT Bank Maybank Indonesia Tbk	6.141	6.362	PT Bank Maybank Indonesia Tbk
Dollar Australia			Australian Dollar
The Hongkong and Shanghai Banking Corporation Limited	24.195	25.722	The Hongkong and Shanghai Banking Corporation Limited
Euro			Euro
PT Bank Negara Indonesia (Persero) Tbk	1.901.900	-	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	1.355.204	5.475.161	PT Bank Mandiri (Persero) Tbk
Citibank, N.A	75.825	5.936	Citibank, N.A
PT Bank Maybank Indonesia Tbk	33.373	34.624	PT Bank Maybank Indonesia Tbk
ING Bank, N.V.	8.346	4.844	ING Bank, N.V.
The Hongkong and Shanghai Banking Corporation Limited	6.571	6.811	The Hongkong and Shanghai Banking Corporation Limited
Korea Exchange Bank	-	2.421	Korea Exchange Bank
Yen			Japanese Yen
PT Bank Negara Indonesia (Persero) Tbk	717	-	PT Bank Negara Indonesia (Persero) Tbk
Call deposit - Dollar Amerika Serikat			Call deposit - U.S. Dollar
UBS AG	1.032.022	20.658.597	UBS AG
Deposito berjangka - Pihak Ketiga			Time deposits - Third Parties
Rupiah			Rupiah
PT Bank Rakyat Indonesia (Persero) Tbk	7.814.826	-	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	3.125.930	-	PT Bank Negara Indonesia (Persero) Tbk
PT BPR Bina Dana Cakrawala	1.076.518	983.502	PT BPR Bina Dana Cakrawala
Standard Chartered Bank, Cabang Jakarta	790.386	738.989	Standard Chartered Bank, Jakarta Branch
PT Bank Mandiri (Persero) Tbk	533.696	6.200.044	PT Bank Mandiri (Persero) Tbk
PT Bank Permata Tbk	520.988	-	PT Bank Permata Tbk
Bank Artha Graha International Tbk	415.269	72.490	Bank Artha Graha International Tbk
PT Bank ANZ Indonesia	28.244	26.705	PT Bank ANZ Indonesia
PT Bank CIMB Niaga Tbk	2.992	-	PT Bank CIMB Niaga Tbk
Dollar Amerika Serikat			U.S. Dollar
PT Bank Permata Tbk	14.550.000	21.000.000	PT Bank Permata Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	8.762.269	9.793.544	PT Bank Rakyat Indonesia (Persero) Tbk
Bank Artha Graha International Tbk	8.544.468	12.534.078	Bank Artha Graha International Tbk
PT Bank Negara Indonesia (Persero) Tbk	8.001.896	6.491.009	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	5.000.000	-	PT Bank Mandiri (Persero) Tbk
UBS AG	2.994.491	14.529.228	UBS AG
PT Bank Maybank Indonesia Tbk	-	4.500.000	PT Bank Maybank Indonesia Tbk
PT Bank ANZ Indonesia	-	1.812.251	PT Bank ANZ Indonesia
Jumlah	244.390.164	259.032.201	Total
Tingkat bunga deposito berjangka per tahun			Interest rates per annum on time deposits
Rupiah	2,00%-8,00%	4,25%-10,05%	Rupiah
Dollar Amerika Serikat	0,25%-1,25%	0,25% - 2,25%	U.S. Dollar
Tingkat bunga call deposit	0,43%	0,12%	Interest rate on call deposit

6. ASET KEUANGAN LAINNYA / 6. OTHER FINANCIAL ASSETS

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Jaminan atas pinjaman bank			Guarantee deposit for bank loans
Deposito berjangka - pihak ketiga			Time deposits - third parties
Dollar Amerika Serikat			U.S. Dollar
DBS Bank Ltd.	13.660.828	15.485.412	DBS Bank Ltd.
PT Bank Mandiri (Persero) Tbk	2.150.000	2.150.000	PT Bank Mandiri (Persero) Tbk
Rekening bank dibatasi penggunaannya - pihak ketiga			Restricted cash in banks - third parties
Rupiah			Rupiah
PT Bank Mandiri (Persero) Tbk	802.944	389.198	PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk	151.717	147.769	PT Bank Negara Indonesia (Persero) Tbk
Dollar Amerika Serikat			U.S. Dollar
PT Bank Maybank Indonesia Tbk	-	150.000	PT Bank Maybank Indonesia Tbk
PT Bank Mandiri (Persero) Tbk	11.208	60.105	PT Bank Mandiri (Persero) Tbk
Jaminan bank garansi			Deposit for bank guarantee
Deposito berjangka - pihak ketiga			Time deposits - third parties
Dollar Amerika Serikat			U.S. Dollar
PT Bank ANZ Indonesia	1.374.829	1.374.829	PT Bank ANZ Indonesia
Rupiah			Rupiah
PT Bank Mandiri (Persero) Tbk	-	1.087.351	PT Bank Mandiri (Persero) Tbk
Investasi dalam kelompok diperdagangkan pada nilai wajar laba atau rugi			Held-for-trading investments at fair value through profit or loss
Investasi pada unit portofolio - pihak ketiga			Investments in portfolio - third party
UBS AG	40.368.967	59.241.118	UBS AG
PT Majoris Asset Management (MAM)	5.163.326	-	PT Majoris Asset Management (MAM)
Jumlah	63.683.819	80.085.782	Total
Tingkat bunga per tahun			Interest rates per annum
Deposito berjangka			Time deposits
Dollar Amerika Serikat	0,10% - 0,50%	0,25% - 0,50%	U.S. Dollar
Rupiah	-	2,50%	Rupiah

Jaminan atas pinjaman bank

Deposito berjangka pada DBS Bank Ltd. (DBS) digunakan sebagai jaminan atas fasilitas pinjaman jangka pendek yang diberikan oleh DBS kepada IIC (Catatan 51). Deposito berjangka ini mempunyai jangka waktu 3 bulan.

Deposito berjangka pada PT Bank Mandiri (Persero) Tbk sebesar US$ 2.150.000 mempunyai jangka waktu 1 bulan dan digunakan sebagai jaminan atas fasilitas kredit yang diperoleh TPEC dari bank yang sama (Catatan 24 dan 51).

Guarantee deposit for bank loans

Time deposits in DBS Bank Ltd. (DBS) were used as collateral for the short-term loan facilities granted by DBS to IIC (Note 51). These time deposits have terms of three months.

Time deposit in PT Bank Mandiri (Persero) Tbk amounting to US$ 2,150,000 has a term of one month and was used as collateral for credit facilities obtained by TPEC from the same bank (Notes 24 and 51).

Investasi dalam kelompok diperdagangkan pada nilai wajar

UBS AG

Investasi pada portofolio (obligasi dan investasi alternatif) pada UBS AG merupakan investasi yang dimiliki oleh ICRL (entitas anak). Keuntungan (kerugian) yang direalisasi (belum direalisasi) atas nilai wajar investasi pada portofolio sebesar US$ 937.115 dan (506.942) pada tahun 2016 dan 2015 (Catatan 38).

Held-for-trading investments at fair value

UBS AG

Investments in portfolio (bonds and alternative investments) at UBS AG represent the investments owned by ICRL (subsidiary). Realized (unrealized) gain (loss) on fair value of investment in portfolio amounted to US$ 937,115 and (506,942) in 2016 and 2015, respectively (Note 38).

MAM

Pada tahun 2016, TS dan KPI, entitas anak, menempatkan investasi dana di MAM masing-masing sebesar US$ 2.000.000 dan US$ 3.263.900. Kerugian belum direalisasi atas nilai wajar dari investasi sebesar USD$ 100.574 (Note 38).

UBS AG dan MAM ditunjuk untuk mengelola dana Perusahaan dan entitas anak – untuk menyeimbangkan portofolio dengan acuan yang telah ditetapkan dengan membeli dan menjual utang dan ekuitas instrumen. Pengukuran nilai wajar disajikan dalam Catatan 48.

MAM

In 2016, the TS and KPI, subsidiaries, placed several investments in MAM for the amount of US$ 2,000,000 and US$ 3,263,900, respectively. Unrealized losses on fair value from these investments amounted to US$ 100,574 (Note 38).

UBS AG and MAM were appointed to manage the Company and its subsidiaries' funds – to balance the portofolio within the designated guidelines by buying and selling debt and equity instruments. The fair value measurement were presented in Note 48.

7. PIUTANG USAHA / 7. TRADE ACCOUNTS RECEIVABLE

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
a. Berdasarkan pelanggan			a. By debtor
Pihak berelasi (Catatan 49)	7.336.484	19.780.511	Related parties (Note 49)
Bersih	7.336.484	19.780.511	Net
Pihak Ketiga			Third Parties
PT Freeport Indonesia	20.093.254	15.198.962	PT Freeport Indonesia
BUT Eni Muara Bakau B.V.	19.461.502	30.588.930	BUT Eni Muara Bakau B.V.
PT Binuang Mitra Bersama Blok Dua	13.459.521	-	PT Binuang Mitra Bersama Blok Dua
PT Indoasia Cemerlang	8.591.209	4.379.945	PT Indoasia Cemerlang
PT Indonesia Pratama	4.981.278	12.728.512	PT Indonesia Pratama
BP Berau Ltd.	3.409.896	4.016.084	BP Berau Ltd.
Sebuku Group	2.539.947	2.403.639	Sebuku Group
PT Adaro Indonesia	2.022.212	3.225.616	PT Adaro Indonesia
PT Berau Coal Energy Tbk	1.488.549	5.832.450	PT Berau Coal Energy Tbk
ExxonMobil Cepu Ltd.	-	28.712.287	ExxonMobil Cepu Ltd.
PT Gunung Bayan Pratama Coal	-	5.893.708	PT Gunung Bayan Pratama Coal
PT Kaltim Prima Coal	-	3.689.936	PT Kaltim Prima Coal
JOB Pertamina Medco Tamori Sulawesi	-	2.316.524	JOB Pertamina Medco Tamori Sulawesi
Lain-lain (masing-masing dibawah US$ 2 juta)	18.452.443	19.923.660	Others (each below US$ 2 million)
Penjualan batubara			Sales of coal
Pelanggan luar negeri	10.460.517	10.712.298	Foreign customers
Jumlah	104.960.328	149.622.551	Total
Cadangan kerugian penurunan nilai	(1.881.918)	(2.300.054)	Allowance for impairment losses
Bersih	103.078.410	147.322.497	Net
Jumlah	110.414.894	167.103.008	Total

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
b. Berdasarkan umur			b. By age category
Belum jatuh tempo	94.200.847	106.527.908	Not yet due
Sudah jatuh tempo:			Past due:
1 - 30 hari	5.550.936	8.134.203	1 - 30 days
31 - 90 hari	5.353.306	7.241.906	31 - 90 days
91 - 180 hari	3.647.883	22.384.086	91 - 180 days
> 181 hari	3.543.840	25.114.959	> 181 days
Jumlah	112.296.812	169.403.062	Total
Cadangan kerugian penurunan nilai	(1.881.918)	(2.300.054)	Allowance for impairment losses
Bersih	110.414.894	167.103.008	Net
c. Sudah jatuh tempo tetapi belum diturunkan nilainya			c. Pastdue but not impaired
Sudah jatuh tempo			Pastdue
1 - 30 hari	5.550.936	8.134.203	1 - 30 days
31 - 90 hari	5.353.306	7.241.906	31 - 90 days
91 - 180 hari	3.647.883	22.384.086	91 - 180 days
> 181 hari	1.661.922	22.814.905	> 181 days
Jumlah	16.214.047	60.575.100	Total
d. Berdasarkan mata uang:			d. By currency:
Dollar Amerika Serikat	72.157.165	156.418.526	U.S. Dollar
Rupiah	40.052.401	12.932.542	Rupiah
Dollar Singapura	87.246	51.994	Singapore Dollar
Jumlah	112.296.812	169.403.062	Total
Cadangan kerugian penurunan nilai	(1.881.918)	(2.300.054)	Allowance for impairment losses
Bersih	110.414.894	167.103.008	Net
Mutasi cadangan kerugian penurunan nilai			Movement in the allowance for impairment losse
Saldo awal	2.300.054	2.738.586	Beginning balance
Kerugian penurunan nilai piutang	393.118	7.725.389	Impairment losses recognized on receivables
Jumlah yang dihapus selama tahun berjalan atas piutang tak tertagih	(170.610)	(6.354.727)	Amounts written-off during the year as uncollectible
Pemulihan kerugian nilai piutang	(640.644)	(1.809.194)	Reversal of impairment losses
Saldo akhir	1.881.918	2.300.054	Ending balance

Piutang usaha yang diungkapkan di atas termasuk jumlah piutang retensi pihak ketiga yang dicatat oleh TPE dan Petrosea dengan rincian sebagai berikut:

Trade accounts receivable disclosed above include amounts of retention receivables from third parties which were recorded by TPE and Petrosea as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
TPE			TPE
BP Berau Ltd.	-	3.413.671	BP Berau Ltd.
Petrosea			Petrosea
PT Indonesia Pratama	-	1.109.000	PT Indonesia Pratama
Jumlah	-	4.522.671	Total

Piutang usaha TPEC pada tanggal 31 Desember 2016 dan piutang usaha TPEC, Petrosea dan MBSS, dengan nilai sebesar US$ 81.642.435 masing-masing pada tanggal 31 Desember 2015, digunakan sebagai jaminan atas utang bank, pinjaman jangka panjang dan fasilitas kredit (Catatan 24, 28 dan 51).

Trade accounts receivable of TPEC as of December 31, 2016 and TPEC, Petrosea and MBSS, with a total amount of US$ 81,642,435 as of December 31, 2016 and 2015, respectively, were used as collateral for bank loans, long-term loans and credit facilities (Notes 24, 28 and 51).

Pada tanggal 31 Desember 2015, Petrosea menghapus piutang usaha PT Gunung Bayan Pratama Coal dan PT Indonesia Pratama masing-masing sebesar US$ 6.172.909 dan US$ 181.818 sesuai dengan *termination and settlement agreement* (Catatan 51).

At December 31, 2015, Petrosea has written-off receivables from PT Gunung Bayan Pratama Coal and PT Indonesia Pratama amounting to US$ 6,172,909 and US$ 181,818 in accordance with termination and settlement agreement, respectively (Note 51).

Jangka waktu rata-rata kredit penjualan barang dan pendapatan jasa adalah 60 hari. Tidak ada bunga yang dibebankan.

The average credit period on sales of goods and services is 60 days. No interest is charged on trade accounts receivable.

Cadangan kerugian penurunan nilai piutang usaha diakui berdasarkan jumlah estimasi yang tidak terpulihkan yang ditentukan dengan mengacu pada pengalaman masa lalu pihak lawan dan analisis posisi keuangan kini pihak lawan. Cadangan penurunan nilai pada tanggal pelaporan terdiri dari piutang usaha yang diturunkan nilainya secara individual dimana manajemen menilai bahwa rendah kemungkinan tertagihnya piutang.

Allowance for impairment losses on trade receivables is recognized based on estimated recoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. Allowance for impairment losses at reporting date consists of individually impaired receivables which management assessed to be no longer collectible.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang usaha kepada pihak berelasi dan pihak ketiga adalah cukup. Tidak diadakan cadangan kerugian penurunan nilai atas piutang pihak berelasi selama periode 31 Desember 2016 dan 2015 karena manajemen berpendapat seluruh piutang tersebut dapat ditagih.

Management believes that the allowance for impairment losses on trade accounts receivable from related and third parties is adequate. No allowance for impairment losses was provided on receivables from related parties as of December 31, 2016 and 2015 because management believes that all such receivables are collectible.

8. PIUTANG BELUM DITAGIH / 8. UNBILLED RECEIVABLES

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Pihak berelasi (Catatan 49)	2.002.620	129.785	Related parties (Note 49)
Pihak ketiga			Third parties
Strong Crown Trading Limited	1.634.430	-	Strong Crown Trading Limited
BUT Conoco Phillips Indonesia Inc. Ltd.	-	523.716	BUT Conoco Phillips Indonesia Inc. Ltd.
PT Pertamina Hulu Energy ONWJ	-	137.108	PT Pertamina Hulu Energy ONWJ
Lain-lain (masing-masing dibawah US$ 500 ribu)	302.245	103.714	Others (each below US$ 500 thousand)
Sub-jumlah	1.936.675	764.538	Sub-total
Jumlah	3.939.295	894.323	Total

9. SELISIH LEBIH ESTIMASI PENDAPATAN DIATAS TAGIHAN KEMAJUAN KONTRAK DAN SELISIH LEBIH TAGIHAN KEMAJUAN KONTRAK DIATAS ESTIMASI PENDAPATAN / 9. ESTIMATED EARNINGS IN EXCESS OF BILLINGS ON CONTRACTS AND BILLINGS IN EXCESS OF ESTIMATED EARNINGS RECOGNIZED

TPEC mengadakan beberapa perjanjian dengan pihak ketiga terkait dengan jasa konstruksi (Catatan 51).

TPEC has various agreements entered into with third parties for the provision of various construction related services (Note 51).

Rincian biaya kontrak dan tagihan kemajuan kontrak adalah sebagai berikut:

Following are the details of construction costs and billed invoices related to those contracts:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Akumulasi biaya kontrak konstruksi	1.329.910.169	1.146.866.362	Accumulated construction costs
Akumulasi laba yang diakui	107.787.573	65.935.080	Accumulated recognized profit
Akumulasi pendapatan yang diakui	1.437.697.742	1.212.801.442	Accumulated recognized revenue
Dikurangi:			Less:
Tagihan kemajuan kontrak	(1.353.359.341)	(1.102.237.125)	Progress billings
Jumlah bersih	84.338.401	110.564.317	Net
Jumlah di atas terdiri dari:			The above consists of:
Selisih lebih estimasi pendapatan di atas tagihan kemajuan kontrak	108.055.739	143.731.070	Estimated earnings in excess of billings on contracts
Selisih lebih tagihan kemajuan kontrak di atas estimasi pendapatan	(23.717.338)	(33.166.753)	Billings in excess of earnings recognized
Jumlah bersih	84.338.401	110.564.317	Net

10. PERSEDIAAN / 10. INVENTORIES

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Suku cadang dan bahan pembantu	10.582.384	8.395.142	Spare parts and supplies
Bahan bakar diesel dan minyak	1.568.559	1.562.688	Diesel and fuels
Batubara	1.085.769	308.112	Coal
Minyak pelumas dan bahan peledak	339.288	610.333	Lubricants and blasting materials
Jumlah	13.576.000	10.876.275	Total
Penyisihan penurunan nilai persediaan	(4.663.812)	(1.224.180)	Allowance for decline in value
Bersih	8.912.188	9.652.095	Net
Mutasi penyisihan penurunan nilai persediaan:			Changes in the allowance for decline in value are as follows:
Saldo awal	1.224.180	1.224.180	Beginning balance
Penambahan	3.439.632	-	Additions
Saldo akhir	4.663.812	1.224.180	Ending balance

Manajemen berkeyakinan bahwa penyisihan penurunan nilai persediaan tersebut adalah cukup.

Management believes that the allowance for decline in value of inventories is adequate.

Pada tanggal 31 Desember 2016 dan 2015, persediaan Petrosea masing-masing sebesar US$ 4.974.151 dan US$ 4.415.583 telah diasuransikan kepada konsorsium yang dipimpin oleh PT Asuransi Cakrawala terhadap semua risiko dengan jumlah pertanggungan masing-masing sebesar US$ 6.120.592 dan US$ 4.837.826. Persediaan suku cadang dan bahan pembantu MBSS pada tanggal 31 Desember 2016 dan 2015, masing-masing sebesar US$ 2.532.908 dan US$ 4.572.124 termasuk dalam asuransi kapal (Catatan 20).

As of December 31, 2016 and 2015, inventories of Petrosea amounting to US$ 4,974,151 and US$ 4,415,583, respectively, were insured through a consortium led by PT Asuransi Cakrawala against all risks for US$ 6,120,592 and US$ 4,837,826, respectively. Spareparts and supplies of MBSS as of December 31, 2016 and 2015, amounting US$ 2,532,908 and US$ 4,572,124, respectively, were included in the vessel's insurance (Note 20).

Pada tahun 2016 and 2015, penurunan nilai persediaan diakui sebagai pengurang jumlah persediaan dan diakui sebagai beban.

In 2016 and 2015, the decline in the value of inventories was recognized as deduction to the cost of inventories and charged to profit and loss.

Pada tanggal 31 Desember 2016 dan 2015, jumlah persediaan yang diakui sebagai beban dan dicatat sebagai beban pokok kontrak dan penjualan adalah masing-masing sebesar US$ 58.230.192 dan US$ 72.298.183.

As of December 31, 2016 and 2015, inventories recognized in expenses and was recorded as cost of contracts and goods sold amounted to US$ 58,230,192 and US$ 72,298,183, respectively.

11. PAJAK DIBAYAR DIMUKA / 11. PREPAID TAXES

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Lebih bayar pajak penghasilan badan -			Excess payment of corporate income tax -
Perusahaan			The Company
2016	143.624	-	2016
2015	-	260.321	2015
2014	-	131.087	2014
2013	-	18.892	2013
2012	-	74.338	2012
Entitas anak			Subsidiaries
2016	2.856.516	-	2016
2015	-	10.791.100	2015
Pajak penghasilan pasal 4 (2), 15, 22, dan 23			Income tax Article 4 (2), 15, 22, and 23
Entitas anak	133.189	1.786.487	Subsidiaries
Pajak Pertambahan Nilai - bersih			Value Added Tax - net
TPEC	27.115.072	26.121.967	TPEC
MUTU	1.716.982	5.154.000	MUTU
Lain-lain	5.208.918	7.708.320	Others
Klaim untuk pengembalian PPN			Claim for VAT refund
2015	20.045.937	-	2015
2014	2.280.997	21.074.420	2014
2013	-	11.782.116	2013
2012	-	6.014.140	2012
2011	-	490.737	2011
Jumlah	59.501.235	91.407.925	Total

MUTU menerima Surat Ketetapan Pajak Lebih Bayar (SKPLB) dari Direktorat Jendral Pajak (DJP) pada tanggal 15 Pebruari 2016 mengacu kepada PPN MUTU periode Desember 2014. Berdasarkan SKPLB, MUTU dinyatakan lebih bayar atas PPN sebesar Rp 50.972.494.017 yang seharusnya Rp 50.987.155.718. Perbedaan antara jumlah yang tercatat di SKPLB dengan jumlah yang tercatat sebagai pajak dibayar dimuka dibebankan dalam laporan laba rugi tahun 2016 sebagai bagian dari pajak dan denda (Catatan 40). Pengembalian pajak diterima pada bulan Maret 2016.

MUTU received Tax Overpayment Assessment Letter (SKPLB) from Directorate General Taxation (DGT) dated February 15, 2016 regarding the MUTU's VAT for the period December 2014. Based on the SKPLB, MUTU has an overpayment of VAT amounting to Rp 50,972,494,017 instead of Rp 50,987,155,718. Difference between the amount stated in SKPLB and the amount initially recorded in the book as prepaid tax was charged to 2016 profit and loss as part of taxes and dues (Note 40). Refund was received in March 2016.

Pada bulan Nopember 2016, MUTU menerima beberapa Surat Ketetapan Pajak Kurang Bayar (SKPKB) atas PPN untuk periode Agustus 2012 sampai dengan Desember 2012 dengan jumlah kurang bayar sebesar Rp 1.580.590.616 atau setara dengan US$ 117.726. Pembayaran atas kurang bayar tersebut dilakukan pada tanggal 20 Desember 2016 dan disajikan di dalam laporan laba rugi dan pendapatan komprehensif lainnya sebagai bagian dari pajak dan denda tahun 2016 (Catatan 40).

In November 2016, MUTU received several Underpayment Tax Assessment Letter (SKPKB) on its VAT covering the periods from August 2012 to December 2012 showing a total underpayment amounting to Rp 1,580,590,616 or equivalent with US$ 117,726. The payment was paid on December 20, 2016 and charged to profit and loss as part of taxes and dues (Note 40).

Pada bulan Desember 2016, MUTU menerima beberapa SKP atas PPN untuk periode Januari 2013 sampai dengan Desember 2013 dengan jumlah kurang bayar sebesar Rp 3.895.617.482 atau setara dengan US$ 290.155. Pembayaran atas kurang bayar tersebut dilakukan pada tanggal 27 Desember 2016 dan dibebankan dalam laporan laba rugi dan pendapatan komprehensif lainnya sebagai bagian dari pajak dan denda (Catatan 40).

In December 2016, MUTU received several tax assessment letters on the its VAT covering the periods from January 2013 to December 2013 showing a total underpayment amounting to Rp 3,895,617,482 or equivalent with US$ 290,155. The payment was paid on December 27, 2016 and charged to profit or loss as part of taxes and dues (Note 40).

Pada tahun 2015, MUTU menerima beberapa SKPKB dan Surat Tagihan Pajak (STP) dari DJP atas kewajiban pembayaran PPN, dengan rincian sebagai berikut:

In 2015, MUTU received several SKPKB and Tax Collection Notice (STP) from DGT on its obligation for VAT, with details as follows:

Masa pajak/ *Tax Period*	Tanggal SKPKB dan STP/ *Date of SKPKB and STP*	Nilai Kekurangan Pajak/ *Amount of Tax Underpayment*		Status saat ini/ *Current Status*
		Rp	US$	
Januari/*January* 2011	Januari/*January* 2015	72 juta/ *million*	5.649	Dibebankan pada laba rugi tahun 2015 bagian pajak dan denda (Catatan 40) *Charged to 2015 profit and loss as part of taxes and dues (Note 40)*
Pebruari/*February* 2010	Pebruari/*February* 2015	6,173 juta/ *million*	468.002	Dibebankan pada laba rugi tahun 2015 bagian pajak dan denda (Catatan 40) *Charged to 2015 profit and loss as part of taxes and dues (Note 40)*
Maret/*March* 2010	Maret/*March* 2015	575 juta/ *million*	43.657	Dibebankan pada laba rugi tahun 2015 bagian pajak dan denda (Catatan 40) *Charged to 2015 profit and loss as part of taxes and dues (Note 40)*
April - Desember/ *April - December 2010*	April 21/*April 21*, 2015	32,043 juta/ *million*	2.439.310	Dibebankan pada laba rugi tahun 2015 bagian pajak dan denda (Catatan 40) *Charged to 2015 profit and loss as part of taxes and dues (Note 40)*
Januari - Nopember/ *January - November 2011*	Januari/*January* 2015	66,554 juta/ *million*	4.969.683	Diakui dan dibebankan pada laba rugi tahun 2014 (Catatan 40) *Accrued and charged to December 2014 profit and loss (Note 40)*

Pada tahun 2016, TPEC menerima pengembalian atas proses restitusi yang diajukan pada tahun 2015 untuk PPN masa pajak 2011 - 2014 senilai Rp 417.826.129.798 (setara dengan US$ 36.430.834).

In 2016, TPEC received the refund related to the request submitted in 2015 for VAT for the years 2011 - 2014 amounting to Rp 417,826,129,798 (equivalent to US$ 36,430,834).

Selisih antara pengajuan pengembalian dengan hasil SKPLB yang diterima untuk tahun Pajak 2011-2013 telah dibebankan senilai Rp 7.450.075.103 (ekuivalen dengan US$ 649.582). Selanjutnya pada 4 Mei 2016, TPEC mengajukan keberatan terhadap Surat Keputusan Pajak untuk tahun pajak 2014 sebesar Rp 26.160.804.566 (setara dengan US$ 2.280.997).

The difference between refund request submitted and SKPLB received for fiscal years 2011 - 2013 was recognized in profit or loss amounting to Rp 7,450,075,103 (equivalent to US$ 649,582). Furthermore, on May 4, 2016, TPEC filed an appeal against the tax assessment letter for fiscal year 2014 amounting Rp 26,160,804,566 (equivalent to US$ 2,280,997).

Pada tahun 2016, TPEC juga menerima pengembalian atas proses restitusi yang diajukan pada tahun ini untuk PPN masa pajak Januari – Maret 2015 senilai Rp 69.611.272.937 (setara dengan US$ 6.063.125).

In 2016, TPEC received refund related to restitution which was submitted in the current year or VAT January – March 2015 amounting to Rp 69,611,272,937 (equivalent to US$ 6,063,125).

Pada tanggal 15 Pebruari 2016, TPEC mengajukan restitusi PPN untuk masa pajak April – Desember 2015 sebesar Rp 230.149.176.554 (setara dengan US$ 20.045.937). Sampai dengan tanggal laporan keuangan konsolidasi, pemeriksaan restitusi pajak masih dilakukan.

On February 15, 2016, TPEC submitted tax restitution letter of VAT for period from April – December 2015 amounting to Rp 230,149,176,554 (equivalent to US$ 20,045,937). As of the issuance date of the consolidated financial statements, the examination of tax restitution is in progress.

12. ASET LANCAR LAINNYA / 12. OTHER CURRENT ASSETS

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Biaya dibayar dimuka			Prepaid expenses
Asuransi	2.603.696	2.789.904	Insurance
Sewa	473.943	1.210.735	Rent
Lain-lain	1.723.819	1.255.168	Others
Uang muka			Advances
Pembelian batubara	45.612.595	28.609.141	Purchase of coal
Proyek	3.377.241	7.360.534	Projects
Pemeliharaan kapal	1.006.477	960.511	Vessel maintenance
Lain-lain (masing-masing dibawah US$ 1 juta)	1.420.866	1.420.035	Others (each below US$ 1 million)
Jumlah	56.218.637	43.606.028	Total

Uang muka pembelian batubara merupakan pembayaran uang muka oleh ICI.

Uang muka proyek merupakan pembayaran uang muka kepada subkontraktor untuk pelaksanaan proyek oleh TPEC dan Petrosea.

Advances for the purchase of coal represent advance payments made by ICI.

Advances for projects represent advance payments to subcontractors for projects by TPEC and Petrosea.

13. INVESTASI PADA ENTITAS ASOSIASI / 13. INVESTMENTS IN ASSOCIATES

Nama entitas asosiasi/ *Name of associates*	Aktivitas utama/ *Principal activity*	Tempat kedudukan/ *Domicile*	Persentase kepemilikan dan hak suara yang dimiliki Perusahaan dan entitas anak/ *Percentage of ownership interest and voting power held by the Company and its subsidiaries*		Jumlah tercatat/ *Carrying amount*	
			31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015
			%	%	US$	US$
PT Kideco Jaya Agung (KJA)	Eksplorasi, pengembangan, pertambangan dan pemasaran batubara/ *Exploration, development, mining and marketing of coal*	Jakarta/*Jakarta*	46%	46%	163.943.873	206.570.481
PT Cirebon Electric Power (CEP)	Pembangkit Listrik Tenaga Uap/*Coal-fired power plant*	Cirebon - Jawa Barat/ *Cirebon - West Java*	20%	20%	58.240.322	37.569.681
PT Sea Bridge Shipping (SBS)	Pengangkutan barang domestik/*Domestic goods shipment*	Jakarta/*Jakarta*	46%	46%	25.452.827	21.398.845
PT Cotrans Asia (CTA)	Jasa pengangkutan dan pengiriman batubara/ *Coal transportation and transhipment service*	Kalimantan Timur/ *East Kalimantan*	45%	45%	7.308.472	9.639.147
PT Intan Resources Indonesia (IRI)	Perdagangan batubara dan konsultasi pertambangan/ *Coal trading and mining consultancy*	Jakarta/*Jakarta*	43,3%	43,3%	-	834.565
PT Cirebon Power Services (CPS)	Pengoperasian dan pemeliharaan fasilitas dan alat-alat listrik/ *Operations and maintenance of electrical equipment and facilities*	Cirebon - Jawa Barat/ *Cirebon - West Java*	20%	20%	375.589	256.420
PT Cirebon Energi Prasarana (CEPR)	Pembangkit Listrik Tenaga Uap/*Coal-fired power plant*	Cirebon - Jawa Barat/ *Cirebon - West Java*	6.25%	25%	5.101.123	1.276.296
Jumlah/*Total*					260.422.206	277.545.435

Mutasi investasi pada entitas asosiasi adalah sebagai berikut:

Changes in investments in associates are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Nilai tercatat awal tahun	277.545.435	271.766.662	Carrying amount at beginning of year
Penambahan investasi	4.250.000	1.276.296	Investment additions
Bagian laba entitas asosiasi setelah dikurangi biaya amortisasi	61.672.566	74.049.226	Equity in net profit of associates net of amortization
Dividen	(84.737.287)	(70.629.447)	Dividends
Bagian pendapatan komprehensif lainnya pada entitas asosiasi:			Share in other comprehensive income of associates:
Keuntungan yang belum direalisasi atas instrumen keuangan derivatif (cadangan lindung nilai)	1.610.911	1.082.698	Unrealized gain on derivative financial instrument (hedging reserve)
Selisih kurs	80.581	-	Translation adjustment
Nilai tercatat akhir tahun	260.422.206	277.545.435	Carrying amount at end of year

Ringkasan informasi keuangan dari entitas asosiasi Perusahaan dan entitas anak ditetapkan di bawah ini. Ringkasan informasi keuangan ini mencerminkan jumlah yang terdapat dalam laporan keuangan entitas asosiasi yang disusun sesuai dengan Standar Akuntansi Keuangan Indonesia.

Summarized financial information in respect of the Company and its subsidiaries' material associates is set out below. The summarized financial information below represent amounts shown in the associate's financial statements prepared in accordance with Indonesian Accounting Standards.

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
PT Kideco Jaya Agung			PT Kideco Jaya Agung
Aset lancar	273.889.132	400.520.599	Current assets
Aset tidak lancar	171.421.549	182.242.980	Non-current assets
Liabilitas lancar	145.990.300	211.504.398	Current liabilities
Liabilitas tidak lancar	53.676.426	48.046.291	Non-current liabilities

	2016	2015	
	US$	US$	
Pendapatan	1.247.820.977	1.658.247.912	Revenue
Laba sebelum pajak	156.692.621	244.522.015	Profit before tax
Laba tahun berjalan	88.614.974	138.088.325	Profit for the year
Jumlah penghasilan komprehensif selama tahun berjalan	88.614.974	138.088.325	Total comprehensive income for the year
Dividen yang diumumkan KJA selama tahun berjalan (termasuk dividen interim di 2016 sebesar US$ 35.000.000	166.183.909	141.500.000	Dividends declared by KJA during the year (including interim dividend in 2016 of US$ 35,000,000

Rekonsiliasi ringkasan informasi keuangan di atas terhadap nilai tercatat investasi pada KJA diukur menggunakan metode ekuitas yang diakui dalam laporan posisi keuangan konsolidasian:

Reconciliation of the above summarized financial information to the carrying amount of the interest in KJA measured using the equity method recognized in the consolidated financial statements:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Aset bersih KJA	245.643.955	323.212.891	Net assets of KJA
Porsi kepemilikan IIC pada KJA	46%	46%	Proportion of IIC's ownership interest in KJA
Kepemilikan IIC pada KJA	112.996.219	148.677.930	IIC's ownership interest in KJA
Kelebihan biaya perolehan investasi IIC bagian entitas anak atas nilai wajar bersih dari aset dan liabilitias teridentifikasi KJA pada tanggal perolehan yang belum diamortisasi	50.947.654	57.892.551	Unamortized excess of the cost of acquisition over IIC's share of the net fair value of identifiable assets and liabilities of KJA at acquisition date
Nilai tercatat investasi IIC pada KJA	163.943.873	206.570.481	Carrying amount of IIC's interest in KJA

Jumlah gabungan informasi entitas asosiasi yang secara individual tidak material:

Aggregate information of associates that are not individually material:

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Bagian Perusahaan dan entitas anak dari laba bersih entitas asosiasi	27.854.575	17.473.493	The Company and its subsidiaries' share in net profit of associates
Bagian Perusahaan dan entitas anak dari penghasilan komprehensif entitas asosiasi	1.610.911	1.082.698	The Company and its subsidiaries' share in other comprehensive income of associates
Bagian Perusahaan dan entitas anak dari jumlah penghasilan komprehensif entitas asosiasi	29.465.486	18.556.191	The Company and its subsidiaries' share in total comprehensive income of associates
Nilai tercatat gabungan atas kepentingan Perusahaan dan entitas anak dalam entitas asosiasi ini	96.478.333	70.974.954	Aggregate carrying amount of the Company and its subsidiaries' interest in these associates

PT Kideco Jaya Agung

Bagian laba bersih KJA termasuk amortisasi aset tidak berwujud yang berasal dari akuisisi IIC atas KJA. Amortisasi tahunan adalah sebesar US$ 6.944.897.

Berdasarkan Keputusan Rapat Umum Pemegang Saham KJA pada tanggal 22 Maret 2016, IIC menerima 46% dari total dividen tunai sebesar US$ 131.183.909 yang diumumkan oleh KJA.

Bedasarkan Keputusan Rapat umum Pemegang Saham KJA pada tanggal 7 Nopember 2017, IIC menerima 46% dari total dividen interim untuk tahun 2016 sebesar US$ 35.000.000 yang diumumkan oleh KJA.

Investasi IIC pada KJA dijadikan sebagai jaminan dengan hak prioritas utama atas utang obligasi (Catatan 30).

PT Kideco Jaya Agung

Equity in net profit of KJA includes the amortization of intangible assets resulting from the acquisition of IIC's interest in KJA. The annual amortization amounted to US$ 6,944,897.

Based on the Resolution of Annual General Meeting of Shareholders of KJA dated March 22, 2016, IIC received 46% total interim cash dividends of US$ 131,183,909 declared by KJA.

Based on the Resolution of Annual General Meeting of Shareholders of KJA dated November 7, 2016, IIC received 46% from the total cash dividends for year 2016 of US$ 35,000,000 declared by KJA.

IIC's investment in KJA was used as collateral on a first priority basis for bonds payable (Note 30).

PT Cirebon Electric Power

Kepemilikan tidak langsung Perusahaan pada CEP dijadikan sebagai jaminan terkait dengan fasilitas pinjaman pihak berelasi (Catatan 49).

Pada tahun 2016, IPI dan III menerima dividen tunai dari CEP masing-masing sebesar US$ 583.096 and US$ 194.365.

Berdasarkan keputusan pemegang saham CEP, para pemegang saham CEP menyetujui peningkatan modal dasar, ditempatkan dan disetor CEP dari US$ 120.092.000 menjadi US$ 124.092.000, dimana peningkatan tersebut akan dialokasikan kepada pemegang saham saat ini sesuai dengan proporsi kepemilikannya masing-masing. Sesuai dengan keputusan tersebut, IPI dan III telah melakukan penyetoran modal masing-masing sebesar US$ 600.000 dan US$ 200.000, masing-masing pada April 2014.

Berdasarkan perjanjian jaminan (Catatan 51b) antara pemegang saham CEP, CEP dan Security Agent terkait dengan Perjanjian Pembiayaan CEP, setiap pemegang saham harus menjaminkan saham baru tersebut untuk kepentingan Security Agent.

PT Cirebon Electric Power

The Company's indirect ownership in CEP was used as collateral to a related party's loan facility (Note 49).

In 2016, IPI and III received cash dividends of US$ 583,096 and US$ 194,365, respectively, from CEP.

Based on unanimous written resolutions, the shareholders of CEP approved the increase in the authorized capital and issued and paid-up capital of CEP from US$ 120,092,000 to US$ 124,092,000, wherein such increase was allocated to the existing shareholders in proportion to their shareholdings. In line with the resolution, IPI and III paid the capital injection at the amount of US$ 600,000 and US$ 200,000 respectively in April 2014.

Based on the pledge agreements (Note 51b) among CEP's shareholders, CEP and the Security Agent under the Financing Agreements of CEP, each of shareholders is required to pledge all of the newly issued shares in favor of the Security Agent.

PT Cirebon Power Services

Kepemilikan tidak langsung Perusahaan pada CPS dijadikan sebagai jaminan terkait dengan fasilitas pinjaman pihak berelasi (Catatan 49).

PT Cirebon Energi Prasarana

Pada tanggal 2 Oktober 2015, PT Prasarana Energi Cirebon (PEC), entitas anak, telah menandatangani Akta Jual Beli Saham dengan PT Bayu Inti Permata (BIP) dimana PEC sepakat untuk membeli seluruh saham milik BIP di CEPR sejumlah 1.050 lembar saham, mewakili 42% kepemilikan di CEPR, dengan nilai transaksi sebesar Rp 1.280.265.000. CEPR adalah suatu perseroan terbatas yang didirikan untuk rencana pengembangan proyek Pembangkit Listrik Tenaga Uap (PLTU) Cirebon berkapasitas 1 x 1000 MW, yang merupakan ekspansi dari proyek PLTU Cirebon berkapasitas 1 x 660 MW (Cirebon-1) yang berlokasi di Cirebon, Jawa Barat. Dengan demikian, sebagian besar sponsor di CEPR adalah para sponsor di proyek Cirebon-1.

Pada tanggal 21 Oktober 2015, dengan masuknya para sponsor lainnya ke dalam CEPR, yaitu Marubeni Corporation, Samtan Co. Ltd., Korea Midland Power Co. Ltd. dan Chubu Electric Power Co. Ltd., maka kepemilikan PEC di CEPR telah terdilusi menjadi 25%.

Pada tanggal 1 Agustus 2016, kepemilikan Perusahaan dan entitas anak di CEPR terdilusi dari 25% menjadi 6,25% (Catatan 1c).

Berdasarkan rapat pemegang saham CEPR pada bulan April dan Agustus 2016, ditetapkan untuk meningkatkan penerbitan saham dan modal disetor atas CEPR masing-masing sebesar Rp 73.158 juta (setara dengan US$ 6 juta) dan Rp 139.244 juta (setara dengan US$ 11 juta). Sejalan dengan rapat pemegang saham, telah diakui peningkatan investasi sebesar US$ 4.250.000.

Pada tanggal 23 Oktober 2015, CEPR menandatangani *Power Purchase Agreement* (PPA) dengan PT PLN (Persero) (PLN) terkait dengan proyek pembangkit listrik tenaga uap dengan kapasitas 1 x 1000 MW, yang berlokasi di Cirebon, Jawa Barat (CEP-2), dengan skema proyek Pembangunan, Kepemilikan, Pengoperasian dan Pemindahan. Berdasarkan PPA, CEPR akan mengembangkan dan membangun proyek CEP-2. PLN akan membeli listrik yang diproduksi oleh CEPR dalam periode komersil, yang akan beroperasi di tahun 2020. PPA mengatur mekanisme penjualaan listrik dari CEPR ke PLN selama 25 tahun sejak tanggal komersil. Nilai atas proyek tersebut diperkirakan sebesar US$ 2.000.000.000.

PT Cirebon Power Services

The Company's indirect ownership in CPS was used as collateral to a related party's loan facility (Note 49).

PT Cirebon Energi Prasarana

On October 2, 2015, PT Prasarana Energi Cirebon (PEC), a subsidiary, signed a Sale and Purchase Agreement with PT Bayu Inti Permata (BIP), wherein PEC agreed to purchase all the 1,050 shares owned by BIP in CEPR, representing 42% of ownership in CEPR, at a purchase price of Rp 1,280,265,000. CEPR is a limited liability company established in line with the Coal-fired Power Plant development project at the capacity of 1 x 1000 MW, which is the expansion of the current existing Coal-fired Power Plant 1 x 660 MW (Cirebon-1) located at Cirebon, West Java. Thus, majority sponsors in CEPR are sponsors in Cirebon-1 project.

On October 21, 2015, following the participation of other sponsors in CEPR, namely Marubeni Corporation, Samtan Co. Ltd., Korea Midland Power Co. Ltd. and Chubu Electric Power Co. Ltd., PEC's ownership in CEPR has been diluted to 25%.

On August 1, 2016, the Company and its subsidiaries' effective interest in CEPR was further diluted from 25% to 6.25% (Note 1c).

Based on CEPR's shareholder resolutions in April and August 2016, it was resolved among others to increase the issued and paid-up capital of CEPR by Rp 73,158 million (equivalent to US$ 6 million) and Rp 139,244 million (equivalent to US$ 11 million), respectively. In line with the resolution, an increase of US$ 4,250,000 investment was recognized.

On October 23, 2015, CEPR signed a Power Purchase Agreement (PPA) with PT PLN (Persero) (PLN) related to coal-fired power plant project with the capacity of 1 x 1000 MW, located at Cirebon, West Java (CEP-2), which is the project under the scheme of Build, Own, Operate and Transfer. Based on the PPA, CEPR will develop and establish the CEP-2 project. PLN will purchase electricity produced by CEPR in the commercial operation period, which is expected to commence in 2020. The PPA also regulates the electricity sales mechanism from CEPR to PLN for 25 years starting from the commercial operation date. Total value of the project is approximately US$ 2,000,000,000.

14. KLAIM PENGEMBALIAN PAJAK / 14. CLAIMS FOR TAX REFUND

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Petrosea	11.157.344	11.902.824	Petrosea
IIC	733.470	1.763.300	IIC
KPI	134.138	1.090.269	KPI
Perusahaan	-	8.235.801	Company
IPI	-	136.640	IPI
Jumlah	12.024.952	23.128.834	Total

Surat Ketetapan Pajak (SKP) / Tax Assessment Letters

Petrosea

Pada tanggal 8 April 2016, Petrosea menerima Surat Ketetapan Pajak Lebih Bayar atas Pajak Penghasilan Badan Tahun 2014 sebesar US$ 7.719 ribu atas permohonan pengembalian sebesar US$ 10.453 ribu. Petrosea telah menerima pengembalian atas kelebihan pajak tersebut sebesar Rp 102.152.000 ribu (atau setara dengan US$ 7.736 ribu) pada tanggal 10 Mei 2016. Selisih antara pengembalian pajak yang diterima dengan jumlah yang sebelumnya dicatat, dibebankan pada laba rugi.

On April 8, 2016, Petrosea received an Overpayment Tax Assessment Letter for 2014 Corporate Income Tax amounting to US$ 7,719 thousand as compared to recorded tax claim for refund of US$ 10,453 thousand. Petrosea received the tax refund amounting to Rp 102,152,000 thousand (or equivalent to US$ 7,736 thousand) on May 10, 2016. The difference on the tax refund received and the amount initially recorded as claims are directly charged to profit or loss.

Pada tanggal 12 Agustus 2016, Petrosea telah menerima Surat Perintah Pemeriksaan atas semua jenis Pajak tahun 2015.

On August 12, 2016, Petrosea has received Tax Audit Letter for all taxes for fiscal year 2015.

Surat Ketetapan Pajak untuk Kerjasama Operasi / Tax Assessment Letters for Joint Operations

Kerjasama operasi/ *Joint operations*	Jenis pajak/ *Tax type*	Tahun fiskal/ *Fiscal year*	Pajak kurang bayar/ *Tax underpayment*	Pengembalian kelebihan bayar pajak/ *Overpayment tax refund*	Setara dengan/ *Equivalent to* 31 Desember/ *December 31,* 2016	Setara dengan/ *Equivalent to* 31 Desember/ *December 31,* 2015
			Rp	Rp	US$	US$
PC JO	Pajak Penghasilan 26/ *Income Tax art. 26*	2005	12.505.239.916	5.995.908.533	393.000	540.323
PC JO	Pajak Penghasilan 26/ *Income Tax art. 26*	2006	14.226.200.433	6.761.588.915	288.000	614.682
PC JO	Pajak Penghasilan 26/ *Income Tax art. 26*	2007	3.371.062.321	2.051.942.426	49.000	145.656
PC JO	Pajak Penghasilan 26/ *Income Tax art. 26*	2005 - 2006	3.852.071.401	-	-	148.835
Jumlah/*Total*				14.809.439.874	730.000	1.449.496

Pada tahun 2013, Petrosea-Clough Joint Operation (PC JO) telah membayar kurang bayar pajak penghasilan 26 tahun 2005 - 2007 dan mengajukan surat keberatan atas Surat Ketetapan Pajak.

In 2013, Petrosea-Clough Joint Operation (PC JO) had paid the underpayment of income tax Article 26 for the years 2005 - 2007 and filed the objection letter on the Tax Assessment Letters.

Pada tanggal 15 Januari 2015, PC JO menerima Surat Keputusan atas keberatan untuk kurang bayar pajak penghasilan pasal 26 tahun 2005-2006, yang menyatakan penolakan keberatan PC JO dan menambahkan jumlah pajak yang masih harus dibayar PC JO sebesar Rp 3.852.071 ribu. Pajak tersebut sudah dibayarkan pada tanggal 8 April 2015. Pada tanggal 10 April 2015, PC JO telah mengajukan permohonan banding yang disampaikan ke Pengadilan Pajak.

On January 15, 2015, PC JO received Decision Letter on objection on underpayment of income tax article 26 for the years 2005-2006, stating the rejection of the PC JO's objection and increased the tax underpayment amounting to Rp 3,852,071 thousand. This underpayment has been paid on April 8, 2015. On April 10, 2015, PC JO requested for an appeal to the Tax Court, for the objection decision.

Pada bulan Januari 2017, PC JO menerima Surat Keputusan Pengadilan Pajak mengenai persetujuan sebagian Permohonan banding pada tanggal 30 Nopember 2016 sebesar Rp 14.809.439 ribu. Selisih antara jumlah yang dicatat dengan Surat Keputusan Pajak dibebankan pada laba rugi. Sampai dengan tanggal penerbitan Laporan Keuangan Konsolidasian, PC JO belum menerima kelebihan bayar tersebut.

In January 2017, PC JO has received Tax Decision Letter on approval in part of appeal dated November 30, 2016 amounting to Rp 14,809,439 thousand. The differences between amount recorded and Tax Decision Letter are directly charged to profit or loss. As of the issuance date of the consolidated financial statements, PC JO has not received tax overpayment yet.

IIC

IIC

Jenis pajak/ *Tax type*	Tahun fiskal/ *Fiscal year*	Lebih bayar atau kurang bayar/ *Overpayment or Underpayment*	Jumlah yang di klaim/ *Total claimed*	Jumlah yang disetujui oleh Pengadilan Pajak/ *Total approved by Tax Court*	Jumlah yang diklaim/*Total claimed*		Status terakhir/ *Last status*
			Rp		31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Pajak Penghasilan Badan/ *Corporate Income Tax*	2006	Kurang bayar/ *Underpayment*	25.638 juta/*million*	6.169 juta/*million*	-	448.988	Peninjauan kembali/*Judicial review*
Pajak Penghasilan Pasal 26/ *Income Tax Article 26*	Juni 2011/ *June 2011*	Kurang bayar/ *Underpayment*	8.276 juta/*million*	8.276 juta/*million*	-	599.929	Banding/*Appeal*
Pajak Penghasilan Pasal 26/ *Income Tax Article 26*	Desember 2010/ *December 2010*	Kurang bayar/ *Underpayment*	9.855 juta/*million*	9.855 juta/*million*	733.470	714.383	Dikabulkan/*Granted*
Jumlah/*Total*					733.470	1.763.300	

Pada bulan Juni 2011, Direktorat Jenderal Pajak (DJP) menerbitkan pembetulan atas Surat Ketetapan pajak penghasilan badan tahun pajak 2006, yang mengurangi kurang bayar pajak penghasilan badan semula dari Rp 57.850 juta menjadi Rp 25.638 juta. Pengembalian pajak sebesar Rp 32.212 juta telah diterima oleh IIC pada bulan Juli 2011.

In June 2011, Directorate General of Taxation (DGT) issued a revised Tax Assessment Letter on corporate income tax fiscal year 2006, reducing the underpayment from Rp 57,850 million into Rp 25,638 million. A refund of Rp 32,212 million was received by IIC in July 2011.

Sementara atas jumlah sebesar Rp 25.638 juta telah ditolak permohonan keberatannya oleh DJP. Atas hal ini IIC mengajukan banding. Pengadilan Pajak menyatakan mengabulkan seluruh permohonan banding IIC, namun ternyata perhitungan dalam Putusan Pengadilan Pajak menunjukkan masih terdapat jumlah pajak penghasilan yang harus dibayar sebesar Rp 6.169 juta. Atas hal tersebut, IIC mengajukan permohonan Peninjauan Kembali, sedangkan klaim pengembalian pajak sebesar Rp 19.469 juta telah dikembalikan oleh DJP kepada IIC pada bulan Mei 2014. IIC juga mengajukan permohonan imbalan bunga atas klaim pajak tersebut.

While on the remaining amount of Rp 25,638 million, DGT has rejected the objection. As a response, IIC filed an appeal. The Tax Court granted IIC's appeal, but the calculation in Tax Decision Letter stated that IIC's income tax underpayment amounted to Rp 6,169 million. Based on the above matter, IIC filed a Reconsideration Request, while claim for tax refund amounted to Rp 19,469 million was refunded by DGT to IIC in May 2014. IIC also claimed for interest on the remaining claim for tax refund.

Pada bulan Desember 2011, DJP menerbitkan STP atas kewajiban pajak IIC terkait dengan pajak penghasilan Pasal 26 masa pajak Desember 2010 dan Juni 2011 masing-masing sebesar Rp 9.855 juta dan Rp 8.276 juta. Pada saat yang bersamaan IIC melakukan pembayaran atas liabilitas pajak tersebut dan dicatat sebagai bagian dari klaim pengembalian pajak, IIC mengajukan permohonan pengurangan atau pembatalan STP tersebut kepada DJP yang kemudian ditolak oleh DJP. IIC telah mengajukan gugatan atas STP tersebut ke Pengadilan Pajak. Pada bulan Juni 2016, Pengadilan Pajak mengabulkan gugatan yang diajukan IIC atas pajak masa Desember 2010, namun sampai dengan penerbitan laporan keuangan konsolidasian, IIC belum menerima pengembalian pajak tersebut.

In December 2011, DGT issued Tax Collection Letter (TCL) on IIC's tax obligation for income tax Article 26 for the December 2010 and June 2011 fiscal periods amounting to Rp 9,855 million and Rp 8,276 million, respectively. On the same date, IIC paid such tax obligations and recorded the amount as part of claims for tax refund. IIC then filed a request letter for reduction or cancellation of TCL from DGT, which was then objected by DGT. IIC filed an appeal against the TCL to the Tax Court. In June 2016, Tax Court has resolved the December 2010 tax in favor of IIC, however until the issuance date of the consolidated financial statements, IIC has not yet received the refund.

Berdasarkan SKP yang diterbitkan oleh DJP pada tanggal 15 Desember 2015 atas kewajiban pajak penghasilan badan IIC tahun 2010, rugi fiskal IIC dikoreksi dari Rp 233.912 juta menjadi Rp 2.446 juta. Pada bulan Pebruari 2016, IIC mengajukan keberatan atas koreksi yang dilakukan oleh DJP.

Under the Tax Assessment Letter dated December 15, 2015 issued by DGT on IIC's corporate income tax obligation for year 2010, DGT made corrections on IIC's fiscal loss from Rp 233,912 million to Rp 2,446 million. In February 2016, IIC filed an objection letter against the corrections made by DGT.

Meninjau status proses pajak yang sedang berlangsung pada tanggal 31 Desember 2016, manajemen berkeyakinan bahwa pemulihan dari klaim tagihan pajak tercatat periode tahun 2006 dan Juni 2011 memiliki kemungkinan kecil, sehingga manajemen mencatat penurunan pada saldo klaim pengembalian pajak milik IIC.

Reviewing the current status of ongoing tax processes as of December 31, 2016, management is of the view that recoverability of the claims for tax refund for the year 2006 and period of June 2011 is remote, hence provided impairment on the outstanding balances of IIC.

KPI

Berikut ini merupakan SKPKB yang masih dalam proses banding:

KPI

Below are underpayment Tax Assessment Letters that are in process for appeal:

Jenis pajak/ *Tax type*	Tahun fiskal/ *Fiscal year*	Jumlah yang diklaim/ *Total claimed*		Jumlah yang disetujui/ *Total approved*		Nilai tercatat/*Carrying amount* 31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	Status terakhir/ *Last status*
		US$	Rp	US$	Rp	US$	US$	
Pajak Penghasilan Badan/ *Corporate Income Tax*	2009	113.104	-	113.104	-	113.104	113.104	Berakhir dan menunggu pengembalian/ *Closed and await for refund*
	2008	86.345	-	-	-	-	86.345	Berakhir/*Closed*
	2014	296.093	-	280.113	-	-	296.093	Dikabulkan sebagian/*Partially granted*
Pajak Penghasilan Badan/ *Corporate Income Tax*	2008	436.488	-	305.806	-	-	436.488	Dikabulkan sebagian/*Partially granted*
				-	-			
Pajak Penghasilan 23/ *Income tax article 23*	2009	-	141.519.308	-	-	-	15.581	Berakhir/*Closed*
Pajak Penghasilan 21/ *Income tax article 21*	2008	-	621.799.956	-	-	-	47.045	Berakhir/*Closed*
Pajak Penghasilan 21/ *Income tax article 21*	2009	-	787.860.654	-	-	-	83.239	Berakhir/*Closed*
Pajak Pertambahan Nilai/ *Value Added Tax*	2009	-	116.807.523	-	233.615.045	21.034	12.374	Berakhir dan menunggu pengembalian/ *Closed and await for refund*
Jumlah/*Total*						134.138	1.090.269	

Perbedaan antara jumlah yang dicatat dibuku KPI dengan yang disetujui oleh pengadilan pajak dibebankan pada laporan laba rugi pada berjalan. Selain yang tertera di tabel, Pengembalian atas klaim pajak yang disetujui telah diterima oleh KPI.

The difference between amount recorded in the KPI's book and agreed by Tax Court was charged to profit or loss in the current period. Refund of the approved claim for tax refund has been received by KPI.

Perusahaan / The Company

Jenis pajak/ *Tax type*	Masa pajak/ *Tax period*	Lebih bayar atau kurang bayar/ *Overpayment or Underpayment*	Jumlah yang diklaim/ *Total claimed*	Jumlah yang disetujui oleh DJP/ *Total approved by DGT*	Jumlah yang diklaim/*Total claimed* 31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	Status terakhir/ *Last status*
			Rp	Rp	US$	US$	
Pajak Pertambahan Nilai (PPN)/ *Value-Added Tax (VAT)*	Januari-Nopember 2011/ *January-November 2011*	Kurang bayar/ *Underpayment*	26.266 juta/*million*	Nihil/*Nil*	-	1.903.986	Banding ditolak dan melanjutkan proses ke MA/ *Appeal was rejected and process for Supreme Court*
Pajak Penghasilan Badan/ *Corporate Income Tax*	2008	Kurang bayar/ *Underpayment*	46.348 juta/*million*	Nihil/*Nil*	-	3.359.836	Banding/*Appeal*
Pajak Penghasilan Pasal 26/ *Income Tax Article 26*	Juni, Nopember dan dan Desember 2010/ *June, November and December 2010*	Kurang bayar/ *Underpayment*	29.496 juta/*million*	Nihil/*Nil*	-	2.138.167	Keberatan ditolak dan mengajukan banding/ *Objection was rejected and filed appeal*
Pajak Penghasilan Pasal 26/ *Income Tax Article 26*	Desember 2009/ *December 2009*	Kurang bayar/ *Underpayment*	9.830 juta/*million*	Nihil/*Nil*	-	712.610	Keberatan ditolak dan mengajukan banding/ *Objection was rejected and filed appeal*
Pajak Penghasilan Badan/ *Corporate Income Tax*	2009	Kurang bayar/ *Underpayment*	1.672 juta/*million*	Nihil/*Nil*	-	121.201	Keberatan ditolak dan mengajukan banding/ *Objection was rejected and filed appeal*
Jumlah/*Total*					-	8.235.801	

Pada bulan Mei 2016, DJP menerbitkan SKPKB untuk kewajiban pajak Perusahaan tahun 2011, termasuk kurang bayar pajak penghasilan pasal 26 sebesar Rp 37.183 juta, pasal 21 dan 23 sejumlah Rp 527 juta dan pajak penghasilan badan sebesar Rp 361 juta. Perusahaan melunasi kekurangan bayar tersebut pada bulan Juni 2016 dan membebankan pada laporan laba rugi periode berjalan.

In May 2016, DGT issued SKPKB on the Company's 2011 tax obligation, including underpayment of tax article 26 of Rp 37,183 million, tax articles 21 and 23 totalling Rp 527 million and corporate income tax of Rp 361 million. The Company settled the payment in June 2016 and charged such amounts to current year profit or loss.

Melalui SKPKB yang diterbitkan, DJP membuat revisi atas penghasilan kena pajak (rugi fiskal) Perusahaan dan dalam beberapa SKPKB yang direvisi kembali setelah melalui serangkaian proses perpajakan yang berjalan sehingga posisi terakhir menjadi sebagai berikut:

DGT made revisions on the Company's taxable income (fiscal loss) through the issuance of SKPKB, which was then recorrected along with the on-going tax process, with latest position as follows:

	Direktorat Jenderal Pajak/ *Per DGT*	Perusahaan/ *Per Company*	
	Rp	Rp	
Rugi fiskal - 2007	14.460.820.295	78.088.647.620	Fiscal loss - 2007
Penghasilan kena pajak - 2008 setelah dikurangi dengan akumulasi rugi fiskal untuk tahun 2004 - 2007 sebesar Rp 71.093.371.476	104.447.847.428	14.147.668.014	Taxable income - year 2008 net off with accumulated fiscal losses for the year 2004 - 2007 amounting to Rp 71,093,371,476
Penghasilan kena pajak - 2009	4.001.458.216	(314.873.760.922)	Taxable income (fiscal loss) - 2009
Penghasilan kena pajak - 2010	38.977.601.733	(372.290.644.076)	Taxable income (fiscal loss) - 2010
Penghasilan kena pajak - 2011	975.522.233	(693.280.422.871)	Taxable income (fiscal loss) - 2011

Meninjau status proses pajak yang sedang berlangsung pada tanggal 31 Desember 2016, manajemen berkeyakinan bahwa pemulihan dari tagihan pajak tercatat memiliki kemungkinan kecil, sehingga manajemen mencatat penurunan penuh pada saldo klaim pengembalian pajak milik Perusahaan.

Reviewing the current status of ongoing tax processes as of December 31, 2016, management is of the view that recoverability of the claims for tax refund is remote, hence provided full impairment on the outstanding balances of the Company.

15. ASET EKSPLORASI DAN EVALUASI

15. EXPLORATION AND EVALUATION ASSETS

	31 Desember/*December 31,* 2016				
	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Reklasifikasi ke properti pertambangan (Catatan 16)/ *Reclassification to mining properties (Note 16)*	Saldo akhir/ *Ending balance*	
	US$	US$	US$	US$	
IIR	17.012.796	-	-	17.012.796	IIR
MEA	4.325.999	-	-	4.325.999	MEA
MUTU	7.276.970	724.473	(7.224.301)	777.142	MUTU
Jumlah	28.615.765	724.473	(7.224.301)	22.115.937	Total
Cadangan penurunan nilai (Catatan 41)	(21.338.795)			(21.338.795)	Allowance for impairment losses (Note 41)
Jumlah tercatat	7.276.970			777.142	Net book value

	31 Desember/*December 31,* 2015			
	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Saldo akhir/ *Ending balance*	
	US$	US$	US$	
IIR	16.877.646	135.150	17.012.796	IIR
MEA	4.317.868	8.131	4.325.999	MEA
MUTU	5.765.408	1.511.562	7.276.970	MUTU
Jumlah	26.960.922	1.654.843	28.615.765	Total
Cadangan penurunan nilai (Catatan 41)	-	(21.338.795)	(21.338.795)	Allowance for impairment (Note 41)
Jumlah tercatat	26.960.922		7.276.970	Net book value

Dengan pertimbangan bahwa aset batubara di MEA dan proyek Baliem saat ini tidak akan dapat memberikan hasil yang menguntungkan pada kondisi pasar batubara saat ini, maka pada bulan Desember 2015 manajemen IIR memutuskan untuk melakukan pencadangan atas penurunan nilai aset tersebut sebesar US$ 21.338.795.

In the view that its coal assets in MEA and Baliem project are not economically viable at the current coal market condition, management of IIR has decided to provide full provision for impairment on those assets amounting to US$ 21,338,795 in December 2015.

16. PROPERTI PERTAMBANGAN

Akun ini merupakan biaya yang ditransfer dari aset eksplorasi dan evaluasi terkait *area of interest*, evaluasi kelayakan teknis dan kelangsungan hidup komersial yang dibuktikan, dan biaya selanjutnya untuk menyiapkan tambang sampai ke tahap produksi.

16. MINING PROPERTIES

This account represents costs transferred from exploration and evaluation assets related to an area of interest, technical feasibility and commercial viability of which are demonstrable, and subsequent costs to develop the mine to the production phase.

	1 Januari/ *January 1,* 2016	Penambahan/ *Additions*	Reklasifikasi dari aset eksplorasi dan evaluasi (Catatan 15)/ *Reclassification from exploration and evaluation assets (Note 15)*	31 Desember/ *December 31,* 2016	
	US$	US$	US$	US$	
Biaya Perolehan	20.658.249	-	7.224.301	27.882.550	Cost
Akumulasi amortisasi	(7.264.643)	(2.180.201)	-	(9.444.844)	Accumulated amortization
Nilai tercatat	13.393.606			18.437.706	Net carrying amount

	1 Januari/ *January 1,* 2015	Penambahan/ *Additions*	31 Desember/ *December 31,* 2015	
	US$	US$	US$	
Biaya Perolehan	20.570.524	87.725	20.658.249	Cost
Akumulasi amortisasi	(5.180.669)	(2.083.974)	(7.264.643)	Accumulated amortization
Nilai tercatat	15.389.855		13.393.606	Net carrying amount

Beban amortisasi dibebankan pada beban penjualan, umum dan administrasi (Catatan 37).

Amortization expenses are charged to selling, general and administrative expenses (Note 37).

17. INVESTASI PADA PENGENDALIAN BERSAMA ENTITAS

17. INVESTMENTS IN JOINTLY-CONTROLLED ENTITIES

	Tempat kedudukan/ *Domicile*	Persentase kepemilikan/ *Percentage of Ownership*	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
		%	US$	US$	
PT Santan Batubara (SB)	Kalimantan	50			PT Santan Batubara (SB)
Saldo awal			13.026.000	14.487.529	Beginning balance
Bagian rugi bersih			(2.208.073)	(1.420.067)	Equity in net loss
Bagian bersih penghasilan komprehensif lain			14.592	(41.463)	Equity in net other comprehensive income
Saldo akhir			10.832.519	13.026.000	Ending balance

Pada tahun 1998, Petrosea, anak Perusahan, membeli 50% kepemilikan di SB, perusahaan yang berkedudukan di Jakarta dengan lokasi proyek di Kalimantan dan bergerak di bidang eksplorasi, pertambangan, pengolahan dan penjualan batubara, dengan harga perolehan sebesar US$ 100 ribu. Tahun 2009, SB memulai operasi komersial.

In 1998, Petrosea, a subsidiary, purchased a 50% interest in SB, a company domiciled in Jakarta with project location in Kalimantan, and is engaged in exploring, mining, treating and selling coal, at a cost of US$ 100 thousand. In 2009, SB started its commercial operations.

Ringkasan informasi keuangan dari entitas pengendalian bersama diatas adalah sebagai berikut:

The summary of financial information in respect of the jointly-controlled entities is set out below:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Aset lancar	7.800.346	10.540.811	Current assets
Aset tidak lancar	12.469.389	12.770.466	Non-current assets
Jumlah Aset	20.269.735	23.311.277	Total Assets
Liabilitas jangka pendek	7.192.189	6.286.872	Current liabilities
Liabilitas jangka panjang	1.482.501	1.043.358	Non-current liabilities
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk	11.595.045	15.981.047	Equity attributable to owners of the Company
Jumlah Liabilitas dan Ekuitas	20.269.735	23.311.277	Total Liabilities and equity
Pendapatan	-	246.317	Revenue
Beban	(4.356.819)	(3.087.421)	Expenses
Rugi tahun berjalan	(4.356.819)	(2.841.104)	Loss for the year
Penghasilan komprehensif lain	(29.184)	(81.954)	Other comprehensive income
Jumlah rugi komprehensif tahun berjalan	(4.386.003)	(2.923.058)	Total comprehensive loss for the year

18. KERJASAMA OPERASI

18. JOINT OPERATIONS

Proyek kerja sama/ *Joint Operators*	Pola bagi hasil/ *Method of sharing result*	Hak partisipasi/ *Participating interest* %	Masa kerja sama/ *Duration*
Total E&P Indonesie West Papua	Bagi hasil/ *Profit sharing*	10%	Masih berjalan/ *On-going*
PT Saipem Indonesia dan PT Chiyoda International Indonesia	Bagi hasil/ *Profit sharing*	38%	Masih berjalan/ *On-going*
Chiyoda Corporation, PT Chiyoda Internationa Indonesia, PT Saipem Indonesia dan/*and* PT Suluh Ardhi Engineering	Bagi hasil/ *Profit sharing*	30%	Masih berjalan/ *On-going*

Total E&P Indonesie West Papua

Pada tanggal 20 Pebruari 2013, PT Indika Multi Daya Energi (IMDE), entitas anak, menandatangani Farmout Agreement dengan TOTAL E&P Indonesie West Papua (TOTAL), entitas anak TOTAL SA, untuk membeli 10% hak partisipasi di Blok Southwest Bird's Head *Production Sharing Contract* (PSC), sementara TOTAL sebagai operator akan memiliki 90% hak partisipasi.

Blok eksplorasi South West Bird's Head PSC berlokasi di on-offshore Salawati Basin, propinsi Papua Barat, dengan luas area sebesar 7.176 km2.

Dengan telah dipenuhinya syarat-syarat penutupan transaksi sesuai *Farmout Agreement* serta telah diperolehnya persetujuan dari Pemerintah Negara Republik Indonesia yang diwakili oleh Kementerian yang berwenang dalam sektor minyak dan gas bumi, Total telah menyelesaikan pengalihan 10% hak partisipasi dalam PSC Southwest Bird's Head dari TOTAL kepada IMDE dengan menandatangani *Deed of Assignment* tertanggal 27 Mei 2013.

Pada tahun 2013, manajemen IMDE, telah menelaah secara internal tahapan eksplorasi yang dilakukan sehubungan dengan hak partisipasi di Southwest Bird's Head PSC. Laporan peninjauan mengindikasikan bahwa nilai tercatat aset eksplorasi dan evaluasi terkait kemungkinan tidak dapat dipulihkan dari keberhasilan pengembangan dan eksploitasi area of interest tersebut. Pada tahap ini, manajemen IMDE memutuskan untuk menurunkan nilai ekonomis dari aset yang bersangkutan. Pada tahun 2015 TOTAL mengirimkan surat kepada SKK Migas untuk pengembalian seluruh wilayah kerja.

PT Saipem Indonesia dan PT Chiyoda International Indonesia

Pada tahun 2013, TPEC melakukan perjanjian kerjasama operasi dengan PT Saipem Indonesia dan PT Chiyoda International Indonesia yang dikenal dengan nama STC Joint Operation (STC JO) dimana dilaksanakan atas pengendalian bersama. Bagian TPEC adalah 38%.

Total E&P Indonesie West Papua

On February 20, 2013, PT Indika Multi Daya Energi (IMDE), a subsidiary, signed Farmout Agreement with TOTAL E&P Indonesie West Papua (TOTAL), a subsidiary of TOTAL SA, to acquire a 10% participating interest in the Southwest Bird's Head Production Sharing Contract (PSC), while TOTAL as operator will hold the remaining 90% interest.

The exploration block of South West Bird's Head PSC is located in the on-offshore Salawati Basin of the Province of West Papua, covering an area of 7,176 square-km.

Given that the conditions precedent in the Farmout Agreement had been fulfilled and the approval from the Government of the Republic of Indonesia had been obtained as represented by the ministry who had the authority in the oil and gas sector, TOTAL transferred the 10% participating interest of Southwest Bird's Head PSC to IMDE by signing the Deed of Assignment on May 27, 2013.

In 2013, management of IMDE, has internally reviewed the progress of exploration done in relation to its participation interest in block Southwest Bird's Head PSC. The review indicated that the carrying amount of the respective exploration and evaluation asset is unlikely to be recovered from the successful development. In 2015 TOTAL sent letter to SKK Migas for full relinquishment of the block.

PT Saipem Indonesia and PT Chiyoda International Indonesia

In 2013, TPEC entered into an unincorporated joint operation agreement with PT Saipem Indonesia and PT Chiyoda International Indonesia known as the STC Joint Operation (STC JO) in which joint control is exercised. TPEC's share is 38%.

STC JO kemudian melakukan perjanjian konsorsium dengan Hyundai Heavy Industries Co Ltd (HHI) dengan maksud untuk mengikuti lelang untuk *New Built Barge Floating Production Unit* (*Hull, Topside and Mooring System*) Jangkrik dan Jangkrik North East (atau dikenal sebagai proyek ENI Jangkrik).

STC JO formed a consortium with Hyundai Heavy Industries Co Ltd (HHI), for the purpose of submitting a bid to do provision and installation of New Built Barge Floating Production Unit (Hull, Topside and Mooring System) for Jangkrik and Jangkrik North East (known as ENI Jangkrik Project).

Pada bulan Desember 2013, ENI telah mengeluarkan surat penunjukan pemenang kepada konsorsium STC JO dan HHI untuk proyek ENI Jangkrik dan menerbitkan surat pelaksanaan pekerjaan pendahuluan untuk proyek tersebut. Kontrak untuk proyek tersebut ditandatangani pada tanggal 28 Pebruari 2014.

In December 2013, ENI has issued a letter awarding the consortium of STC JO and HHI for the ENI Jangkrik Project, and a letter to start the early works of the project. The contract was signed on February 28, 2014.

Dalam eksekusi proyek diatas, STC JO memiliki kesepakatan bahwa tiap-tiap anggota JO akan berkontribusi dalam bentuk sumber daya manusia dan sumber daya lainnya, dan beberapa bagian tertentu dari proyek dipercayakan kepada anggota JO tertentu ("*Own Portion*"). *Own Portion* yang dipercayakan kepada TPEC adalah pengadaan *Gas Turbine Generators package*, dan pengadaan peralatan yang difabrikasi, yaitu *Vessels, Columns, and Shell & Tube Heat Exchangers*.

In executing the project, the STC JO has an agreement that each member will contribute personnel and other resources, and certain portion of the project will be entrusted to certain members ("Own Portion"). The Own Portion of TPEC is to procure Gas Turbine Generators package, and to procure Fabricated Equipment, in this case being Vessels, Columns, and Shell & Tube Heat Exchangers.

Ringkasan keuangan di bawah ini merupakan jumlah yang ditunjukkan dalam laporan keuangan operasi bersama sesuai dengan Standar Akuntansi Keuangan Indonesia:

The summarized financial information below represents amounts shown in the joint operation's financial statements prepared in accordance with Indonesian Financial Accounting Standards:

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Jumlah aset	139.411.383	162.879.329	Total assets
Jumlah liabilitas	67.800.208	119.429.928	Total liabilities
Jumlah pendapatan	266.240.328	293.060.587	Total revenue
Jumlah beban	238.078.555	264.066.571	Total expenses

Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia dan PT Suluh Ardhi Engineering

Pada tanggal 27 Oktober 2014, TPEC dan TPE melakukan perjanjian kerjasama operasi dengan Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia dan PT Suluh Ardhi Engineering yang dikenal dengan nama CSTS Joint Operation ("CSTS JO") dimana dilaksanakan pengendalian bersama.

Pada tanggal 29 Oktober 2014, BP Berau Ltd dan CSTS JO menanda-tangani kontrak *Front End Engineering Design* (FEED) untuk Tangguh LNG Expansion Project, yang berlaku efektif tertanggal 5 Desember 2014 untuk melakukan FEED, rencana dan estimasi untuk kontrak EPC, dan mengajukan tender untuk EPC kontrak dari Tangguh LNG Expansion Project tersebut.

Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia and PT Suluh Ardhi Engineering

On October 27, 2014, TPEC and TPE entered into an unincorporated joint operation agreement with Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia and PT Suluh Ardhi Engineering known as the CSTS Joint Operation ("CSTS JO") in which joint control is exercised.

On October 29, 2014, BP Berau Ltd and CSTS JO signed the contract for Front End Engineering Design (FEED) of Tangguh LNG Expansion Project, effective on December 5, 2014, to deliver FEED, plans and estimates for EPC contract, and submitting the tender for EPC contract of Tangguh LNG Expansion Project.

Proyek dimulai pada tanggal 5 Desember 2014, tetapi anggota dari CSTS JO setuju untuk melaksanakan pembukuaan yang dimulai pada bulan Januari 2015, menggabungkan aktivitas aset, utang, pendapatan dan biaya atas CSTS JO dari tanggal 5 Desember 2014. TPEC dan TPE akan mengambil bagian masing-masing atas keuangan CSTS JO.

The project kicked-off by December 5, 2014, but the members of CSTS JO agreed that the bookkeeping at CSTS JO level will commence in January 2015, incorporating the activities from December 5, 2014 in terms of assets, liabilities, revenues and costs of CSTS JO. TPEC and TPE will take its respective portion of the financials of CSTS JO.

Ringkasan keuangan di bawah ini merupakan jumlah yang ditunjukkan dalam laporan keuangan operasi bersama sesuai dengan Standar Akuntansi Keuangan Indonesia:

The summarized financial information below represents amounts shown in the joint operation's financial statements prepared in accordance with Indonesian Financial Accounting Standards:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Jumlah aset	77.659.917	18.302.190	Total assets
Jumlah liabilitas	70.121.720	13.270.176	Total liabilities
Jumlah pendapatan	42.540.490	41.193.225	Total revenue
Jumlah beban	40.034.307	36.161.211	Total expenses

Pada tanggal 25 Agustus 2016, BP Berau Ltd dan CSTS JO menandatangani kontrak EPC untuk Proyek Ekspansi LNG Tangguh.

On August 25, 2016, BP Berau Ltd and CSTS JO signed contract EPC of Tangguh LNG Expansion Project.

Bagian dari TPEC dan TPE dalam kerjasama ini secara keseluruhan adalah 30%. Sesuai dengan ketentuan kontrak EPC, kewajiban setiap anggota dalam JO akan dijamin oleh masing-masing perusahaan pengendalinya sesuai dengan porsi participating interest di dalam JO.

TPEC and TPE's portion in CSTS JO altogether is 30%. As required in the EPC contract, obligation of each JO member is guaranted by the controlling shareholders in accordance with its participating interest in the JO.

Proyek tersebut dimulai pada kwartal ketiga 2016, dengan estimasi pengerjaan proyek selama empat tahun.

The project started during the third quarter of 2016, with estimated project period of four years.

19. UANG MUKA DAN ASET TIDAK LANCAR LAINNYA

19. ADVANCES AND OTHER NONCURRENT ASSETS

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Uang muka investasi			Advances for investments
Pihak ketiga			Third party
PT Karya Sukses Unggulan	5.504.619	4.548.749	PT Karya Sukses Unggulan
Biaya proyek yang ditangguhkan	4.156.555	3.116.273	Deferred project costs
Investasi Saham			Investment in shares of stock
Pihak ketiga			Third party
PT Sarana Riau Ventura	1.211	1.211	PT Sarana Riau Ventura
Lain-lain (masing-masing dibawah US$ 500.000)	336.513	788.699	Others (each below US$ 500,000)
Jumlah	9.998.898	8.454.932	Total

PT Karya Sukses Unggulan (KSU)

IIC

Pada bulan Agustus 2014, IIC menandatangani Perjanjian Kerjasama Pencarian dan Pengembangan Areal Konsesi Batubara dengan KSU, dimana KSU bersedia untuk bertindak atas nama dan untuk kepentingan IIC untuk mencari, menemukan dan/atau mengembangkan areal konsesi batubara termasuk infrastruktur yang berkaitan dengan konsesi batubara baik berupa Izin Usaha Pertambangan (IUP) maupun Perjanjian Karya Pengusaha Batubara (PKP2B) yang tersebar di seluruh wilayah Indonesia. Berkaitan dengan perjanjian tersebut di atas, IIC menyediakan dana untuk membiayai kegiatan pencarian, pengembangan dan/atau pembangunan areal konsesi batubara sejumlah US$ 5.000.000.

Perjanjian ini berlaku satu tahun terhitung sejak penandatanganan perjanjian diatas. IIC memiliki hak untuk mengakhiri perjanjian setiap waktu dan dengan alasan apapun dengan memberitahukan kepada KSU selambat-lambatnya 7 hari sebelum tanggal efektif pengakhiran perjanjian. Apabila sampai akhir perjanjian, KSU tidak berhasil memenuhi kewajibannya atau perjanjian ini diakhiri oleh IIC sebelum habis masa berlakunya, maka KSU berkewajiban untuk mengembalikan uang muka kepada IIC, setelah dikurangi dengan seluruh pengeluaran KSU terkait kewajibannya dalam perjanjian, dalam jangka waktu tertentu yang telah disepakati dalam perjanjian.

Sebagai tindak lanjut atas perjanjian dengan KSU yang sudah jatuh tempo, perjanjian telah diubah pada tanggal 2 Nopember 2015 dimana IIC dan KSU sepakat untuk mengubah jumlah uang muka yang diberikan IIC dari US$ 5.000.000 menjadi Rp 67.750 juta dan memperpanjang perjanjian ini sampai tanggal 23 Oktober 2016. Perjanjian ini kemudian diperpanjang kembali sampai tanggal 23 Oktober 2017.

Pada tahun 2015, IIC telah menerima pengembalian uang muka sebesar Rp 5.000 juta.

IIR

Pada tanggal 25 Agustus 2016, IIR menandatangani Perjanjian Kerjasama Pencarian dan Pengembangan Areal Konsesi Batubara dengan KSU, dimana KSU bersedia untuk bertindak atas nama dan untuk kepentingan IIR untuk mencari, menemukan dan/atau mengembangkan areal konsesi batubara termasuk infrastruktur yang berkaitan dengan konsesi batubara baik berupa Izin Usaha Pertambangan (IUP) maupun Perjanjian Karya Pengusaha Batubara (PKP2B) yang tersebar di seluruh wilayah Indonesia. Berkaitan dengan perjanjian tersebut di atas, IIR menyediakan dana untuk membiayai kegiatan pencarian, pengembangan dan/atau pembangunan areal konsesi batubara sebesar Rp 11 miliar.

PT Karya Sukses Unggulan (KSU)

IIC

In August 2014, IIC entered into Exploration and Development of Coal Concession Area Agreements with KSU, in which KSU agreed to act on behalf of and for the benefit of IIC to explore, find and/or develop coal concession areas, including infrastructure related to coal concession in Indonesia, either as Mining Right (IUP) or Coal Contract of Work (CCoW). Based on the agreement, IIC agreed to provide funding for the exploration, development and/or construction of coal concession activities at the amount of US$ 5,000,000.

The above agreement is valid for one year, effective from the signing date. IIC has the right to terminate the agreement at any time and for any reasons by giving a 7 days advance notice to KSU before the effective termination. If until the termination date of the agreement, KSU still cannot fulfill its obligation under the agreement or the agreement was early terminated by IIC, then KSU should refund the advance to IIC, net of all expenses paid-out by KSU related to its obligation under the agreement, within certain period as specified in the agreements.

Following the expiration of the agreement with KSU, the agreement has been amended through agreement dated November 2, 2015, where IIC and KSU agreed to amend amount of advance given by IIC from US$ 5,000,000 to Rp 67,750 million and extend the agreement until October 23, 2016. This agreement was further extended until October 23, 2017.

In 2015, IIC received refund of advances of Rp 5,000 million.

IIR

On August 25, 2016, IIR entered into Exploration and Development of Coal Concession Area Agreements with KSU, in which KSU agreed to act on behalf of and for the benefit of IIR to explore, find and/or develop coal concession areas, including infrastructure related to coal concession in Indonesia, either as Mining Right (IUP) or Coal Contract of Work (CCoW). Based on the agreement, IIR agreed to provide funding for the exploration, development and/or construction of coal concession activities at the amount of Rp 11 billion.

Perjanjian ini berlaku satu tahun terhitung sejak penandatanganan perjanjian dlatas, Perjanjian dapat diakhiri lebih awal apabila disetujui oleh kedua belah pihak atau dalam keadaan *force majeure*, Dalam hal pengakhiran perjanjian, KSU berkewajiban untuk mengembalikan uang muka kepada IIR, setelah dikurangi dengan seluruh pengeluaran KSU terkait kewajibannya dalam perjanjian, dalam jangka waktu tertentu yang telah disepakatidalam parjanjian.

The above agreement is valid for one year, effective from the signing date, This agreement can be terminated earlier based on agreement by both parties, or in the event of *force majeure*. In terms of termination of the agreement, KSU should refund the advance to IIR, net of all expenses paid-out by KSU related to its obligation under the agreement, within certain period as specified in the agreements.

PT Intan Cempaka Perkasa (ICP)

PT Intan Cempaka Perkasa (ICP)

IIC menandatangani Perjanjian Kerjasama Penemuan dan Pengembangan Areal Konsesi Batubara dengan ICP pada tanggal 5 dan 11 Agustus 2008, dimana ICP bersedia untuk bertindak atas nama dan untuk kepentingan IIC untuk mencari, menemukan dan/atau mengembangkan areal konsesi batubara baik berupa IUP maupun PKP2B yang tersebar di seluruh wilayah Indonesia. Berkaitan dengan perjanjian tersebut di atas, IIC menyediakan dana untuk membiayai kegiatan pencarian dan pengembangan areal konsesi batubara masing-masing sejumlah maksimum Rp 91.209 juta dan Rp 137.650 juta dimana IIC telah melakukan pembayaran dimuka sebesar Rp 228.761 juta (setara dengan US$ 24.981.225).

IIC entered into Exploration and Development of Coal Concession Area Agreements with ICP dated August 5 and 11, 2008, in which ICP agreed to act on behalf of and for the benefit of IIC to explore, find and/or develop coal concession areas in Indonesia, either as IUP or CCoW. Based on the agreements, IIC agreed to provide funding for the exploration or development of coal concession activities up to the maximum amount of Rp 91,209 million and Rp 137,650 million, respectively, in which Rp 228,761 million (equivalent to US$ 24,981,225) was paid in advance by IIC.

Perjanjian ini berlaku satu tahun terhitung sejak penandatanganan masing-masing perjanjian diatas. Apabila sampai akhir perjanjian, ICP tidak berhasil memenuhi kewajibannya atau perjanjian ini diakhiri oleh IIC sebelum habis masa berlakunya, maka ICP berkewajiban untuk mengembalikan uang muka kepada IIC, setelah dikurangi dengan seluruh pengeluaran ICP terkait kewajibannya dalam perjanjian, dalam jangka waktu tertentu yang telah disepakati dalam perjanjian. Sesuai dengan perjanjian, ICP bersedia untuk memberikan jaminan berupa 75 saham yang pada saat ini dimiliki oleh PT Citra Bayu Permata dan aset bergerak lainnya milik ICP termasuk konsesi pertambangan yang dimiliki atau dikuasai ICP.

The above agreement is valid for one year, effective from the signing date of each of the above agreements. If until the termination date of each agreement, ICP still cannot fulfill its obligation under these agreements or the agreements were early terminated by IIC, then ICP should refund the advance to IIC, net of all expenses paid-out by ICP related to its obligation under the agreements, within certain period as specified in the agreements. In accordance with the agreement, ICP agreed to pledge its 75 shares currently owned by PT Citra Bayu Permata as well as the other assets owned by ICP, including its mining concession rights, as collaterals to ICP.

Perjanjian ini telah beberapa kali diubah dan beberapa pengembalian uang muka sebesar Rp 184 milyar telah diterima oleh IIC.

The agreements have been amended several times and several refunds of advances totalling to Rp 184 billion were received by IIC.

Pada tahun 2015, ICP telah menyelesaikan pekerjaannya untuk IIC dan sisa uang muka dibebankan ke laba rugi untuk mengkompensasi semua pengeluaran ICP yang berkaitan dengan kewajibannya sesuai perjanjian (Catatan 40).

In 2015, ICP concluded its work for IIC and the remaining advance was charged to operations to compensate all ICP's expenses related to its obligation under the agreement (Note 40).

Biaya Proyek yang Ditangguhkan

Deferred Project Costs

Biaya proyek yang ditangguhkan merupakan uang muka pembayaran kepada subkontraktor untuk pelaksanaan proyek oleh Petrosea.

Deferred project costs represent advance payments to subcontractors for projects by Petrosea.

20. ASET TETAP / 20. PROPERTY, PLANT AND EQUIPMENT

	1 Januari/ *January 1, 2016*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Selisih kurs penjabaran laporan keuangan/ *Translation adjustments*	Reklasifikasi/ *Reclassifications*	Transfer ke aset dimiliki untuk dijual (Catatan 21)/ *Transfer to assets held for sale (Note 21)*	31 Desember/ *December 31, 2016*	
	US$	US$	US$	US$	US$	US$	US$	
Biaya perolehan:								At cost:
Pemilikan langsung								Direct acquisitions
Tanah	41.095.175	-	(621.705)	-	201.357	-	40.674.827	Land
Bangunan, prasarana dan perbaikan bangunan	102.873.641	2.902	(1.714.765)	-	4.201.628	-	105.363.406	Buildings, leasehold and improvements
Perabotan, perlengkapan dan peralatan kantor lainnya	33.869.064	219.917	(1.610.975)	(1.652)	2.173.391	-	34.649.745	Office furniture, fixtures and other equipment
Kapal	349.624.748	50.904	(7.432.043)	-	6.448.676	(5.338.781)	343.353.504	Vessels
Kendaraan bermotor dan helikopter	16.825.030	316.092	(10.566.121)	(871)	-	-	6.574.130	Motor vehicles and helicopter
Mesin dan peralatan	5.432.205	4.001		-	-	-	5.436.206	Machinery and equipment
Alat berat, peralatan, pengangkutan dan kendaraan	163.569.570	404.647	(13.466.558)	-	6.682.255	-	157.189.914	Plant, equipment, heavy equipment and vehicles
Aset dalam penyelesaian	36.706.231	18.209.071	-	-	(19.707.307)	-	35.207.995	Construction in-progress
Aset sewa								Leased assets
Alat berat, peralatan, pengangkutan dan kendaraan	319.411.576	-	(31.949.116)	-	6.275.249	-	293.737.709	Plant, equipment, heavy equipment and vehicles
Aset dalam penyelesaian	1.462.346	6.401.551	-	-	(6.275.249)	-	1.588.648	Construction in-progress
Jumlah	1.070.869.586	25.609.085	(67.361.283)	(2.523)	-	(5.338.781)	1.023.776.084	Total
Akumulasi penyusutan:								Accumulated depreciation:
Pemilikan langsung								Direct acquisitions
Bangunan, prasarana dan perbaikan bangunan	48.722.174	7.515.178	(213.434)	-	-	-	56.023.918	Buildings, leasehold and improvements
Perabotan, perlengkapan dan peralatan kantor lainnya	26.614.862	3.477.966	(1.554.133)	(20)	9.663	-	28.548.338	Office furniture, fixture and other equipment
Kapal	125.081.424	25.493.409	(6.269.450)	-	(9.663)	(2.432.227)	141.863.493	Vessels
Kendaraan bermotor dan helikopter	9.711.084	1.168.203	(5.622.877)	(21)	-	-	5.256.389	Motor vehicles and helicopter
Mesin dan peralatan	2.826.457	869.257		-	-	-	3.695.714	Machinery and equipment
Alat berat, peralatan, pengangkutan dan kendaraan	86.458.746	17.576.879	(9.449.408)	-	-	-	94.586.217	Plant, equipment, heavy equipment and vehicles
Aset sewa								Leased assets
Alat berat, peralatan, pengangkutan dan kendaraan	170.614.061	26.138.085	(27.433.357)	-	-	-	169.318.789	Plant, equipment, heavy equipment and vehicles
Jumlah	470.028.808	82.238.977	(50.542.659)	(41)	-	(2.432.227)	499.292.858	Total
Cadangan penurunan nilai (Catatan 41)	4.453.661	4.757.845	(2.799.652)	-	-	-	6.411.854	Allowance for impairment losses (Note 41)
Jumlah Tercatat	596.387.117					(2.906.554)	518.071.372	Net Book Value

	1 Januari/ *January 1,* 2015	Penambahan/ *Additions*	Pengurangan/ *Deductions*	Selisih kurs penjabaran laporan keuangan/ *Translation adjustments*	Reklasifikasi/ *Reclassifications*	Transfer ke aset dimiliki untuk dijual (Catatan 21)/ *Transfer to assets held for sale (Note 21)*	31 Desember/ *December 31,* 2015	
	US$	US$	US$	US$	US$	US$	US$	
Biaya perolehan:								At cost:
Pemilikan langsung								Direct acquisitions
Tanah	38.753.181	4.994	-	-	2.337.000	-	41.095.175	Land
Bangunan, prasarana dan perbaikan bangunan	102.170.611	-	-	-	24.044.105	(23.341.075)	102.873.641	Buildings, leasehold and improvements
Perabotan, perlengkapan dan peralatan kantor lainnya	30.716.793	266.077	(109.684)	(24)	2.995.902	-	33.869.064	Office furniture, fixtures and other equipment
Kapal	356.035.563	4.389.035	(17.989.526)	-	7.189.676	-	349.624.748	Vessels
Kendaraan bermotor dan helikopter	17.241.060	688.385	(1.104.415)	-	-	-	16.825.030	Motor vehicles and helicopter
Mesin dan peralatan	4.100.955	-	-	-	1.331.250	-	5.432.205	Machinery and equipment
Alat berat, peralatan, pengangkutan dan kendaraan	158.026.570	-	(4.205.000)	-	9.748.000	-	163.569.570	Plant, equipment, heavy equipment and vehicles
Aset dalam penyelesaian	37.386.907	47.003.083	(37.826)	-	(47.645.933)	-	36.706.231	Construction in-progress
Aset sewa								Leased assets
Alat berat, peralatan, pengangkutan dan kendaraan	320.231.576	-	(7.527.000)	-	6.707.000	-	319.411.576	Plant, equipment, heavy equipment and vehicles
Aset dalam penyelesaian	719.346	7.450.000	-	-	(6.707.000)	-	1.462.346	Construction in-progress
Jumlah	1.065.382.562	59.801.574	(30.973.451)	(24)	-	(23.341.075)	1.070.869.586	Total
Akumulasi penyusutan:								Accumulated depreciation:
Pemilikan langsung								Direct acquisitions
Bangunan, prasarana dan perbaikan bangunan	43.550.891	7.232.403	-	-	-	(2.061.120)	48.722.174	Buildings, leasehold and improvements
Perabotan, perlengkapan dan peralatan kantor lainnya	22.831.331	3.800.738	(17.189)	(18)	-	-	26.614.862	Office furniture, fixture and other equipment
Kapal	107.810.357	26.347.264	(9.076.197)	-	-	-	125.081.424	Vessels
Kendaraan bermotor dan helikopter	8.444.349	2.216.625	(949.890)	-	-	-	9.711.084	Motor vehicles and helicopter
Mesin dan peralatan	1.877.691	948.766	-	-	-	-	2.826.457	Machinery and equipment
Alat berat, peralatan, pengangkutan dan kendaraan	70.033.115	20.630.631	(4.205.000)	-	-	-	86.458.746	Plant, equipment, heavy equipment and vehicles
Aset sewa								Leased assets
Alat berat, peralatan, pengangkutan dan kendaraan	150.913.061	27.168.000	(7.467.000)	-	-	-	170.614.061	Plant, equipment, heavy equipment and vehicles
Jumlah	405.460.795	88.344.427	(21.715.276)	(18)	-	(2.061.120)	470.028.808	Total
Cadangan penurunan nilai (Catatan 41)	-	4.453.661	-	-	-	-	4.453.661	Allowance for impairment losses (Note 41)
Jumlah Tercatat	659.921.767					(21.279.955)	596.387.117	Net Book Value

Beban penyusutan dialokasikan sebagai berikut:

Depreciation expense was allocated to the following:

	2016	2015	
	US$	US$	
Beban pokok kontrak dan penjualan (Catatan 36)	74.250.507	75.711.370	Cost of contracts and goods sold (Note 36)
Beban penjualan, umum dan administrasi (Catatan 37)	7.988.470	11.800.057	Selling, general and administrative expenses (Note 37)
Aset dalam penyelesaian	-	833.000	Construction in-progress
Jumlah	82.238.977	88.344.427	Total

Pada tanggal 31 Desember 2015, beban penyusutan sebesar US$ 833.000 dikapitalisasi ke aset dalam penyelesaian. Beban penyusutan ini terkait dengan pemakaian alat berat Petrosea untuk pengerjaan bangunan dalam proses.

At December 31, 2015, depreciation expense amounting to US$ 833,000 was capitalized to construction in-progress. The depreciation expenses were related to the use of Petrosea's heavy equipment in the building construction process.

Perincian (kerugian) keuntungan penjualan aset tetap adalah sebagai berikut:

Details of the (loss) on sale of property, plant and equipment are as follows:

	2016	2015	
	US$	US$	
Nilai realisasi atas penjualan	8.008.705	4.807.473	Proceeds from sale
Nilai tercatat	(16.818.624)	(9.258.175)	Net carrying amounts
Kerugian penjualan (Catatan 40)	(8.801.919)	(4.450.702)	Loss on sale (Note 40)

Rincian aset dalam penyelesaian pada tanggal 31 Desember 2016 adalah sebagai berikut:

Details of constructions in-progress as of December 31, 2016, are as follows:

	31 Desember/*December 31,* 2016			
	Persentase Penyelesaian/ *Percentage of Completion*	Akumulasi Biaya/ *Accumulated Costs*	Estimasi tahun Penyelesaian/ *Estimated Year of Completion*	
		US$		
Bangunan, prasarana dan perbaikan bangunan	30 - 85%	28.471.601	2017 - 2018	Buildings, leasehold and improvements
Kapal	80 - 90%	2.995.042	2017	Vessels
Alat berat, peralatan, pengangkutan dan kendaraan	74%	5.330.000	2018	Plant, equipment, heavy equipment and vehicles
Jumlah		36.796.643		Total

Manajemen tidak melihat adanya peristiwa yang akan menghambat penyelesaian aset dalam penyelesaian tersebut.

Management does not foresee any events that may prevent the completion of the constructions in-progress.

Hak Guna Bangunan (HGB)

Perusahaan memiliki beberapa bidang tanah di Bintaro, Tangerang Selatan seluas 40.343 meter persegi dengan Hak Guna Bangunan (HGB) yang akan jatuh tempo antara tahun 2020 sampai dengan tahun 2038.

ILSS memiliki beberapa bidang tanah di Kariangau, Kalimantan Timur seluas 406.321 meter persegi dengan HGB selama 20 sampai 30 tahun dan tanggal berakhirnya hak berkisar antara tahun 2021 sampai dengan tahun 2034.

Petrosea memiliki beberapa bidang tanah di Nusa Tenggara Barat, Balikpapan, Kabupaten Paser Kalimantan Timur dan Timika seluas 189.792 meter persegi dengan HGB selama 20 dan 30 tahun, masing-masing sampai tahun 2028, 2029, 2030 dan 2043.

TPEC memiliki beberapa bidang tanah yang berlokasi di Jakarta dengan hak legal berupa HGB untuk jangka waktu 20 tahun, yang akan jatuh tempo pada tahun 2029.

TPE memiliki tanah yang berlokasi di Kelurahan Banyuraden, Kecamatan Gamping, Kabupaten Sleman, Yogyakarta dengan hak legal berupa HGB yang akan jatuh tempo pada 2044.

Manajemen berpendapat tidak terdapat masalah dengan perpanjangan hak atas tanah karena seluruh tanah diperoleh secara sah dan didukung dengan bukti kepemilikan yang memadai.

Building Use Rights (HGB)

The Company owns several pieces of land located in Bintaro, South Tangerang measuring 40,343 square meters with Building Use Rights (HGB) for certain periods ranging from year 2020 until 2038.

ILSS owns several pieces of land located in Kariangau, East Kalimantan measuring 406,321 square meters with HGB for a period of 20 to 30 years and maturity dates ranging from year 2021 until 2034.

Petrosea owns several pieces of land located in West Nusa Tenggara, Balikpapan, Kabupaten Paser East Kalimantan and Timika measuring 189,792 square meters with HGB for a period of 20 and 30 years, respectively, until 2028, 2029, 2030 dan 2043.

TPEC owns several pieces of land located in Jakarta with HGB for 20 years until 2029.

TPE owns land located in Banyuraden Village, Subdistrict of Gamping, Disctrict of Sleman, Yogyakarta with HGB until 2044.

Management believes that there will be no difficulty in the extension of the land rights since all the lands were acquired legally and supported by sufficient evidence of ownership.

Aset tetap yang dijaminkan

Petrosea

Pada tanggal 31 Desember 2015, beberapa alat berat Petrosea dengan nilai tercatat sebesar US$ 6.101 ribu dan sebagian tanah di Timika dan Sumbawa dengan nilai tercatat sebesar US$ 387 ribu digunakan sebagai jaminan atas fasilitas bank yang diperoleh dari PT Bank ANZ Indonesia (Catatan 24). Berdasarkan Perjanjian Fasilitas Kredit dengan PT Bank ANZ Indonesia, sebagian tanah tersebut secara keseluruhan bernilai sebesar Rp 20.000 juta pada saat tanggal perjanjian. Utang bank dari PT Bank ANZ telah dibayar seluruhnya pada tahun 2016.

Pada tahun 2016 dan 2015, Petrosea memiliki perjanjian jual dan sewa balik atas alat berat dengan perusahaan pembiayaan selama 4 sampai 5 tahun.

Setelah mengevaluasi syarat dan substansi dari perjanjian jual dan sewa balik selama periode berjalan, manajemen Petrosea menetapkan bahwa secara substansial semua risiko dan manfaat dari kepemilikan alat berat tersebut berada pada penjual dan mengklasifikasikan transaksi ini sebagai sewa pembiayaan.

Aset sewaan digunakan sebagai jaminan atas liabilitas sewa (Catatan 29).

MBSS

Aset tetap tertentu milik MBSS berupa kapal dan alat-alat pengangkutan dengan nilai tercatat US$ 78.626.852 dan US$ 111.034.127 pada 31 Desember 2016 dan 2015 dijadikan sebagai jaminan atas utang bank dan utang jangka panjang (Catatan 24 dan 28).

Pada tanggal 31 Desember 2016 dan 2015, nilai wajar aset tetap MBSS yang dijaminkan adalah sebesar US$ 89.956.981 dan US$ 106.980.283. Penilaian atas nilai wajar dilakukan oleh penilai independen yang telah teregistrasi di OJK, Kantor Jasa Penilai Publik (KJPP) Stefanus Tonny Hardi & Rekan. Metode penilaian yang digunakan adalah pendekatan nilai pasar dan biaya (tingkat 3).

TPEC

HGB No. 1545 dan 1576 digunakan sebagai jaminan fasilitas kredit yang diperoleh TPEC dari PT Bank Mandiri (Persero) Tbk (Catatan 24 dan 51).

Property, plant and equipment used as collateral

Petrosea

As of December 31, 2015, certain heavy equipment of Petrosea with a carrying amount of US$ 6,101 thousand and several pieces of land at Timika and Sumbawa with carrying amount of US$ 387 thousand are used as collateral for bank facilities obtained from PT Bank ANZ Indonesia (Note 24). Based on the Credit Facility Agreement with PT Bank ANZ Indonesia, the pieces of land were valued at an aggregate amount of Rp 20,000 million as of the date of the agreement. Bank loan from PT Bank ANZ Indonesia was fully paid in 2016.

In 2016 and 2015, Petrosea entered into sale and leaseback agreements for its heavy equipment with a financing company for a period of 4 to 5 years.

After an evaluation of the terms and substance of the sale and leaseback arrangement during the period, Petrosea's management has determined that all the risks and rewards incidental to ownership of the heavy equipment still rest with the seller-lessee and classified the transactions as finance lease.

Leased assets are used as collateral for the lease liabilities (Note 29).

MBSS

As of December 31, 2016 and 2015, MBSS's vessels with carrying amount of US$ 78,626,852 and US$ 111,034,127 are pledged as collateral for bank loans and long-term loans (Notes 24 and 28).

At December 31, 2016 and 2015, the fair value of MBSS's collateralised property, vessels and equipment is US$ 89,956,981 and US$ 106,980,283. The valuation was performed by independent appraisers registered in OJK, Independent Public Aprraisal (KJPP) Stefanus Tonny Hardi & Rekan. Appraisal method used is market and cost approach (level 3).

TPEC

The HGB No. 1545 and 1576 are used as collateral for credit facilities obtained by TPEC from PT Bank Mandiri (Persero) Tbk (Notes 24 and 51).

Aset tetap kecuali tanah telah diasuransikan kepada beberapa perusahaan asuransi terhadap risiko kebakaran, pencurian dan risiko lainnya dengan jumlah pertanggungan sebagai berikut:

Property, plant and equipment, except land, are insured with various insurance companies against fire, theft and other possible risk, as follows:

Perusahaan asuransi/ *Insurance company*	Mata uang/ *Currency*	Jumlah pertanggungan/ *Sum insured* 31 Desember/*December 31,* 2016
PT Asuransi Cakrawala Proteksi	Rp	421.386.304.000
PT AIG Insurance Indonesia	Rp	6.164.375.000
PT Zurich Insurance Indonesia	Rp	5.691.042.000
PT Asuransi ACE Jaya Proteksi	Rp	5.037.064.000
PT Asuransi AXA Indonesia	Rp	5.007.640.000
PT Asuransi Astra Buana	Rp	2.585.000.000
PT Asuransi Raksa Pratikara	Rp	348.000.000
PT Asuransi Cakrawala Proteksi	US$	661.297.000
PT Asuransi Mitra Maparya	US$	23.612.000
PT Asuransi Jasaraharja Putera	US$	12.476.686

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan timbulnya kerugian atas aset yang dipertanggungkan.

Management believes that the insurance coverages are adequate to cover possible losses on the related assets insured.

Nilai wajar aset tetap Perusahaan dan entitas anak pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar US$ 524.541.270 dan US$ 651.599.673.

Fair value of property, plant and equipment of the Company and its subsidiaries as of December 31, 2016 and 2015 amounted to US$ 524,541,270 and US$ 651,599,673, respectively.

Pada tanggal 31 Desember 2016 dan 2015, aset tetap termasuk aset yang telah habis disusutkan tetapi masih digunakan dengan harga perolehan sebesar US$ 21.520.397 dan US$ 31.285.647.

As of December 31, 2016 and 2015, property, plant and equipment includes assets with acquisition cost of US$ 21,520,397 and US$ 31,285,647, that are fully depreciated but still in use.

Penurunan nilai aset tetap

Impairment of property, plant and equipment

MEA

Pada tahun 2015, manajemen IIR berpendapat bahwa aset batubara di MEA saat ini tidak akan dapat memberikan hasil yang menguntungkan pada kondisi pasar batubara saat ini, oleh karenanya memutuskan untuk melakukan pencadangan atas penurunan nilai terhadap aset tetap MEA. Jumlah kerugian penurunan nilai yang diakui dalam laba rugi bulan Desember 2015 sebesar US$ 1.654.009 (Catatan 41)

MEA

In 2015, management of IIR viewed that its coal assets in MEA are not economically viable at the current coal market condition, therefore decided to provide full provision for impairment on its property, plant and equipment. Total impairment loss charged to profit and loss in December 2015 amounted to US$ 1,654,009 (Note 41).

MBSS

Di dalam aset tetap MBSS, terdapat kapal FC Princesse Rachel dan FC Vittoria, dimana berdasarkan Coal Transhipment Agreement for the Provision of Transhipment Services di Adang Bay tanggal 4 Mei 2010 dan 12 Oktober 2012, KJA memiliki hak opsi untuk membeli kapal tersebut di bulan ke-60 atau di akhir masa kontrak (Catatan 51).

MBSS

Included in MBSS's property, vessels and equipment, are FC Princesse Rachel and FC Vittoria, which based on Coal Transhipment Agreement for the Provision of Transhipment Services at Adang Bay dated May 4, 2010 and October 12, 2012, KJA has an option to purchase such asset at the 60th month or at the end of the contract period (Note 51).

Pada tanggal 1 Oktober 2015, PT Kideco Jaya Agung menggunakan hak opsi pembelian FC Princesse Rachel melalui anak perusahaannya, PT Sea Bridge Shipping, dengan nilai pembelian US$ 4.405.350.

On October 1, 2015, PT Kideco Jaya Agung exercised the purchase option of FC Princesse Rachel through its nominee, PT Sea Bridge Shipping, with purchase price of US$ 4,450,350.

Pada tahun 2015, MBSS melakukan penurunan nilai terhadap FC Vittoria sebesar US$ 2.799.652 karena dinilai bahwa KJA akan menggunakan hak opsinya untuk membeli kapal tersebut di tahun ke-4 atau tahun 2016 sesuai dengan *Coal Transhipment Agreement* untuk pemberian jasa pengangkutan di Teluk Adang tanggal 12 Oktober 2012 (Catatan 41). Penurunan nilai kerugian dipulihkan pada tahun 2016 karena restrukturisasi kontrak dengan KJA yang mencakup penghapusan hak opsi untuk membeli kapal.

In 2015, MBSS impaired FC Vittoria amounted US$ 2,799,652 as it was assessed that KJA will exercise its purchase option at the 4th year or in 2016 based on Coal Transhipment Agreement for the Provision of Transhipment Services at Adang Bay dated October 12, 2012 (Note 41). The impairment loss is reversed in 2016 due to contract restructuring with KJA that includes removal of the option right to purchase the vessel.

Pada tanggal 10 Agustus 2016, ditandatangani nota kesepahaman dengan KJA yang menyetujui penghapusan ketentuan terkait opsi pembelian FC Vittoria pada Coal Transhipment Agreement untuk pemberian jasa pengangkutan di Teluk Adang tanggal 12 Oktober 2012. Dengan demikian, penurunan nilai terhadap FC Vittoria di tahun 2016 dipulihkan.

On August 10, 2016, memorandum of understanding was signed with KJA for the removal of purchase option stipulated in Coal Transhipment Agreement for the Provision of Transhipment Services at Adang Bay. Accordingly, the impairment of FC Vittoria in 2016 was reversed.

Pada tanggal 31 Desember 2016, Perusahaan dan entitas anak menilai bahwa nilai pemulihan dari kapal dan kapal tertentu yang diturunkan nilainya sebesar US$ 4.757.845 (Catatan 41).

At December 31, 2016, the Company and its subsidiaries assessed the recovarable amount of vessels and determined that certain vessels was impaired by US$ 4,757,845 (Note 41).

21. ASET DIMILIKI UNTUK DIJUAL

TS

Dalam rangka menjual unit kantor *under strata title*, yang berlokasi di Singapura, manajemen TS telah mereklasifikasikan aset ini ke aset dimiliki untuk dijual. Nilai wajar aset dikurangi biaya untuk menjual pada tanggal 31 Desember 2015 sebesar US$ 20.071.406, berdasarkan harga yang telah disepakati dalam perjanjian pembelian yang ditandatangani oleh pihak ketiga pada bulan Januari 2016. Nilai tercatat atas aset tersebut adalah US$ 21.279.955 (Catatan 20). Perbedaan sebesar US$ 1.208.549 dibebankan pada laporan laba rugi bulan Desember 2015 (Catatan 41). Pada bulan Mei 2016, transaksi penjualan dan pembelian telah diselesaikan.

MBSS

Pada tahun 2016 dan 2015, MBSS telah memutuskan untuk menjual kapal dan alat berat yang sudah rusak dan tidak digunakan. Aset tetap tersebut direklasifikasi ke aset tidak lancar yang dimiliki untuk dijual dan dilakukan penurunan nilai. Berikut adalah mutasi aset tidak lancar yang dimiliki untuk dijual:

21. ASSETS HELD FOR SALE

TS

Following the intention to sell its office unit under strata title, which is located in Singapore, management of TS has reclassified this asset to asset held for sale. The asset's fair value less cost to sell as at December 31, 2015 amounted to US$ 20,071,406, based on the agreed price in the option to purchase agreement entered with a third party in January 2016. The carrying amount of the asset is US$ 21,279,955 (Note 20). The difference of US$ 1,208,549 was charged to profit and loss in December 2015 (Note 41). In May 2016, the sale and purchase transaction has been finalized.

MBSS

In 2016 and 2015, MBSS has decided to sell broken and unused vessel and heavy equipment. Those assets were reclassified to noncurrent asset held for sale and impaired. Below are the movement of assets held for sale:

	1 Januari / *January 1, 2016*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	31 Desember/ *December 31, 2016*	
	USD	USD	USD	USD	
Jumlah tercatat	632.759	2.906.554	(44.315)	3.494.998	Net carrying amount
Penurunan nilai	(550.872)	(2.145.403)	44.315	(2.651.960)	Impairment
Jumlah	81.887	761.151	-	843.038	Total

	1 Januari / *January 1, 2016*	Penambahan/ *Additions*	Pengurangan/ *Deductions*	31 Desember/ *December 31, 2016*	
	USD	USD	USD	USD	
Jumlah tercatat	632,759	-	-	632,759	Net carrying amount
Penurunan nilai	(550,872)	-	-	(550,872)	Impairment
Jumlah	81,887	-	-	81,887	Total

Pada bulan Pebruari 2017, MBSS menjual 5 kapal yang sebelumnya telah diklasifikasi sebagai aset untuk dijual.

In February 2017, MBSS sold 5 vessels that were previously classified as assets for sale.

22. ASET TIDAK BERWUJUD / 22. INTANGIBLE ASSETS

	1 Januari/ *January 1,* 2016	Penambahan/ *Additions*	31 Desember/ *December 31,* 2016	
	US$	US$	US$	
Biaya perolehan				At cost
Akuisisi anak perusahaan:				Acquisition of subsidiaries:
MUTU	205,508,478	-	205,508,478	MUTU
MBSS	131,029,823	-	131,029,823	MBSS
MEA	65,071,555	-	65,071,555	MEA
Petrosea	1,405,622	-	1,405,622	Petrosea
MIP (Catatan 1c)	222,237	-	222,237	MIP (Note 1c)
Sub-jumlah	403,237,715	-	403,237,715	Sub-total
Pengembangan sistem dan perangkat lunak komputer	14,126,899	476,127	14,603,026	System development and computer software
Jumlah	417,364,614	476,127	417,840,741	Total
Akumulasi amortisasi				Accumulated amortization
Akuisisi anak perusahaan:				Acquisition of subsidiaries:
MUTU	35,372,524	7,178,118	42,550,642	MUTU
MBSS	88,913,094	18,718,546	107,631,640	MBSS
MEA	34,859,758	-	34,859,758	MEA
Petrosea	1,405,622	-	1,405,622	Petrosea
MIP	20,966	93,285	114,251	MIP
Sub-jumlah	160,571,964	25,989,949	186,561,913	Sub-total
Pengembangan sistem dan perangkat lunak komputer	7,696,645	2,190,801	9,887,446	System development and computer software
Jumlah	168,268,609	28,180,750	196,449,359	Total
Cadangan penurunan nilai (Catatan 41)	(30,211,797)	(23,398,183)	(53,609,980)	Allowance for impairment losses (Note 41)
Jumlah Tercatat	218,884,208		167,781,402	Net Book Value

	1 Januari/ *January 1,* 2015	Penambahan/ *Additions*	31 Desember/ *December 31,* 2015	
	US$	US$	US$	
Biaya perolehan				At cost
Akuisisi anak perusahaan:				Acquisition of subsidiaries:
MUTU	205,508,478	-	205,508,478	MUTU
MBSS	131,029,823	-	131,029,823	MBSS
MEA	65,071,555	-	65,071,555	MEA
Petrosea	1,405,622	-	1,405,622	Petrosea
MIP (Catatan 1c)	-	222,237	222,237	MIP (Note 1c)
Sub-jumlah	403,015,478	222,237	403,237,715	Sub-total
Pengembangan sistem dan perangkat lunak komputer	12,605,208	1,521,691	14,126,899	System development and computer software
Jumlah	415,620,686	1,743,928	417,364,614	Total
Akumulasi amortisasi				Accumulated amortization
Akuisisi anak perusahaan:				Acquisition of subsidiaries:
MUTU	28,194,406	7,178,118	35,372,524	MUTU
MBSS	70,194,548	18,718,546	88,913,094	MBSS
MEA	25,563,823	9,295,935	34,859,758	MEA
Petrosea	1,405,622	-	1,405,622	Petrosea
MIP	-	20,966	20,966	MIP
Sub-jumlah	125,358,399	35,213,565	160,571,964	Sub-total
Pengembangan sistem dan perangkat lunak komputer	5,280,450	2,416,195	7,696,645	System development and computer software
Jumlah	130,638,849	37,629,760	168,268,609	Total
Cadangan penurunan nilai (Catatan 41)	-	(30,211,797)	(30,211,797)	Allowance for impairment losses (Note 41)
Jumlah Tercatat	284,981,837		218,884,208	Net Book Value

Biaya amortisasi dialokasikan sebagai berikut:

Amortization expense was allocated to the following:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Disajikan secara terpisah dalam laporan laba rugi	25.989.949	35.213.565	Recognized separately in profit or loss
Beban penjualan, umum dan administrasi (Catatan 37)	2.190.801	2.416.195	Selling, general and administrative expenses (Note 37)
Jumlah	28.180.750	37.629.760	Total

MUTU

Aset tidak berwujud ini (hak tambang) berasal dari akuisisi MUTU yang bergerak di bidang pertambangan batubara dengan wilayah PKP2B yang terletak di Barito Utara dan Selatan - Kalimantan Tengah.

Nilai wajar aset tidak berwujud tersebut berdasarkan laporan penilaian dari penilai independen. Penilaian menggunakan pendekatan pendapatan dengan metode Kelebihan Pendapatan.

Aset tidak berwujud termasuk biaya sebesar US$ 9,2 juta yang dikeluarkan sehubungan dengan pembelian *Distribution Rights and Obligations* untuk mendukung penjualan batubara MUTU.

Aset tidak berwujud diamortisasi selama estimasi masa manfaat selama 27 tahun.

MUTU

The intangible assets (mining rights) resulted from the acquisition of MUTU, a company engaged in the business of mining activities with CCoW area located in the North and South Barito - Central Kalimantan.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach with Excess Earning method.

The intangible assets include costs amounting to US$ 9.2 million with regard to purchase of Distribution Rights and Obligations to support MUTU's sales of coal.

The intangible asset is amortized over the estimated useful life of 27 years.

MBSS

Aset tidak berwujud termasuk yang berasal dari akuisisi MBSS dan entitas anak, yang berkaitan dengan kontrak jangka panjang MBSS pada saat akuisisi tahun 2011, dan perangkat lunak komputer MBSS (Catatan 51).

Nilai wajar aset tidak berwujud tersebut berdasarkan laporan penilaian dari penilai independen. Penilaian dilakukan dengan pendekatan pendapatan dengan metode Kelebihan Pendapatan.

Aset tidak berwujud diamortisasi selama estimasi masa manfaat selama 7 tahun.

Pada tahun 2016, manajemen IEI melakukan *review* atas kontrak jangka panjang MBSS yang masih berlaku pada tanggal 31 Desember 2016 dan menajadi dasar penilaian aset tidak berwujud pada saat akuisisi, termasuk estimasi yang digunakan pada saat penilaian. Dengan kondisi pasar batubara yang melemah hingga tahun 2016 dan berdampak terhadapa volume pengangkutan dan profitabilitas MBSS, manajemen mengantisipasi adanya indikasi bahwa nilai terpulihkan dari aset tidak berwujud tersebut lebih rendah dari nilai tercatatnya, sehingga penyisihan kerugian penurunan nilai diakui pada laba rugi (Catatan 41).

MEA

Aset tidak berwujud ini berasal dari akuisisi MEA yang bergerak di bidang pertambangan batubara dengan Izin Usaha Pertambangan yang terletak di Kutai Timur – Kalimantan Timur.

Nilai wajar aset tidak berwujud tersebut berdasarkan laporan penilaian dari penilai independen. Penilaian menggunakan pendekatan pendapatan dengan metode Kelebihan Pendapatan.

Aset tidak berwujud diamortisasi selama estimasi masa manfaat selama 7 tahun.

Pada tahun 2015, aset tidak berwujud MEA mengalami penurunan nilai seperti dijelaskan pada Catatan 41.

MIP

Aset tidak berwujud ini berasal dari akuisisi MIP, melalui Petrosea yang berkaitan dengan kontrak jangka panjang MIP.

Aset tidak berwujud diamortisasi selama estimasi masa manfaat selama 4 tahun.

Pengembangan Sistem dan Perangkat Lunak Komputer

Aset tidak berwujud ini terutama berhubungan dengan pengembangan sistem komputer terintegrasi pada Perusahaan dan entitas anak.

Aset tidak berwujud diamortisasi selama estimasi masa manfaat selama 3 sampai 5 tahun.

Penurunan Nilai Aset Tidak Berwujud

Manajemen berkeyakinan bahwa penyisihan penurunan nilai aset tidak berwujud tersebut adalah cukup.

MBSS

The intangible assets include those that resulted from the acquisition of MBSS and its subsidiaries, which mainly pertain to the long-term contracts of MBSS at the date of the acquisition in 2011, and computer software of MBSS (Note 51)

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach with Excess Earning method.

The intangible assets are amortized over the estimated useful life of 7 years.

In 2016, the management of IEI reviewed the long-term contracts of MBSS outstanding as of December 31, 2016 which were used as the basis for valuation of the intangible assests during the acquisition, including all the estimates used in such valuation. With the downturn in the coal market condition until 2016, and its impact to shipment volume and profitability of MBSS, management anticipated an indication that the recoverable amount of the intangible assets is less than their carrying amount, hence allowance for impairment losses was recognized in profit or loss (Note 41).

MEA

The intangible assets resulted from the acquisition of MEA, a company engaged in business of mining activities under Mining Coal Exploration Permit located in the East Kutai – East Kalimantan.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach with Excess Earning method.

The intangible assets is amortized over the estimated useful life of 7 years.

In 2015, the intangible assets of MEA were impaired, as discussed in Note 41.

MIP

The intangible assets resulted from the acquisition of MIP, through Petrosea which mainly pertain to long-term contracts of MIP.

The intangible assets is amortized over the estimated useful life of 4 years.

System Development and Computer Software

The intangible assets mainly relate to the development of the Company and its subsidiaries' integrated computer system.

The intangible asset are amortized over its estimated useful life of 3 to 5 years.

Impairment of Intangible Assets

Management believes that the allowance for impairment of intangible assets is adequate.

23. GOODWILL

Akun ini merupakan selisih lebih antara biaya perolehan dan bagian Perusahaan atas nilai wajar aset bersih entitas anak setelah dikurangi akumulasi penurunan nilai.

23. GOODWILL

This account represents the excess of acquisition cost over the Company's interest in the fair value of the net assets of subsidiaries net of accumulated impairment.

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
PT Multi Tambangjaya Utama	56.745.431	56.745.431	PT Multi Tambangjaya Utama
PT Mitrabahtera Segara Sejati Tbk dan entitas anak	33.730.009	33.730.009	PT Mitrabahtera Segara Sejati Tbk and its subsidiaries
PT Petrosea Tbk	28.978.661	28.978.661	PT Petrosea Tbk
PT Mahaka Industri Perdana	781.195	781.195	PT Mahaka Industri Perdana
Jumlah tercatat	120.235.296	120.235.296	Net carrying amount
Perubahan nilai tercatat bersih:			Movement of net carrying amount:
Saldo awal	120.235.296	119.454.101	Beginning Balance
Penambahan (Catatan 1c)	-	781.195	Addition (Note 1c)
Saldo akhir	120.235.296	120.235.296	Ending balance

24. UTANG BANK

24. BANK LOANS

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Dollar Amerika Serikat			U.S. Dollar
PT Bank Mandiri (Persero) Tbk	35.000.000	107.500.000	PT Bank Mandiri (Persero) Tbk
Citibank, N.A., Indonesia	16.253.545	52.005.831	Citibank, N.A., Indonesia
Pinjaman sindikasi (Standard Chartered Bank)	12.346.478	12.346.478	Syndicated loan (Standard Chartered Bank)
Standard Chartered Bank, Cabang Singapura	11.151.225	-	Standard Chartered Bank, Singapore Branch
Standard Chartered Bank, Cabang Jakarta	2.886.972	11.223.440	Standard Chartered Bank, Jakarta Branch
PT Bank ANZ Indonesia	-	12.500.000	PT Bank ANZ Indonesia
The Hongkong and Shanghai Banking Corporation Limited	-	8.960.609	The Hongkong and Shanghai Banking Corporation Limited
PT Bank Maybank Indonesia Tbk	-	1.000.000	PT Bank Maybank Indonesia Tbk
Jumlah pokok pinjaman	77.638.220	204.536.358	Total loan principal
Bunga yang masih harus dibayar	225.354	478.937	Accrued interest
Jumlah	77.863.574	205.015.295	Total

Pada tanggal 31 Desember 2016 dan 2015, rincian fasilitas pinjaman diatas adalah sebagai berikut:

As of December 31, 2016 and 2015, details of the above facilities are as follows:

Kreditur/ *Creditors*	Entitas/ *Entities*	Jenis fasilitas/ *Type of facilities*	Fasilitas maksimum/ *Maximum facility*	Tanggal perjanjian/ *Agreement date*	Tanggal jatuh tempo/ *Maturity date* *)	Tingkat bunga per tahun/ *Interest rate per annum*	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015
			US$				US$	US$
PT Bank Mandiri (Persero) Tbk	Perusahaan/ *The Company*	Kredit modal kerja/ *Working capital loan*	75.000.000	18 Juli/*July 18*, 2012	Oktober dan Desember/ *October and December* 2016	LIBOR + 5,5%	-	72.500.000
	TPEC	Kredit modal kerja/ *Working capital loan*	35.000.000	5 Nopember/ *November 5,* 2010	4 Nopember/ *November 4,* 2017	6%	35.000.000	35.000.000
Sub-jumlah/*Sub-total*							35.000.000	107.500.000
Citibank, N.A., Indonesia	Perusahaan/ *The Company*	Pinjaman jangka pendek/ *Short term loan*	20.000.000	15 Nopember/ *November 15,* 2013	Mei/*May* 2016	LIBOR + 2,5%	-	20.000.000
	IIC	Pinjaman jangka pendek/ *Short term loan*	45.000.000	15 Nopember/ *November 15,* 2013	Januari dan April/ *January and April* 2016	LIBOR + 2,5%	-	12.500.000
	Petrosea	Kredit modal kerja/ *Working capital loan*	20.000.000	29 Oktober/ *October 29,* 2012	16 Pebruari/ *February 16, 2016*	LIBOR + 2,5%	-	5.381.125
					18 Maret/ *March 18, 2016*	LIBOR + 2,5%	-	3.136.488
					26 April/ *April 26, 2016*	LIBOR + 2,5%	-	1.671.716
					4 Pebruari/ *February 4, 2016*	LIBOR + 2,5%	-	7.829.244
					27 Mei/*May 27*, 2016	LIBOR + 2,5%	-	790.192
					17 Juni/*June 17*, 2016	LIBOR + 2,5%	-	697.066
					25 Januari/ *January 25, 2017*	LIBOR + 2,5%	628.000	-
					25 Januari/ *January 25, 2017*	LIBOR + 2,5%	590.000	-
					10 Pebruari/ *February 10, 2017*	LIBOR + 2,5%	5.227.000	-
					10 Pebruari/ *February 10, 2017*	LIBOR + 2,5%	5.516.000	-
					22 Pebruari/ *February 22, 2017*	LIBOR + 2,5%	1.243.000	-
					23 Juni/*June 23,* 2017	LIBOR + 2,5%	3.049.545	-
Sub-jumlah/*Sub-total*							16.253.545	52.005.831
Pinjaman sindikasi dikoordinasi oleh/ *Syndicated loan coordinated by* Standard Chartered Bank	MBSS	*Revolving Credit*	12.346.478	23 Mei/*May 23*, 2013	23 Mei/*May 23*, 2017	LIBOR + 3%	12.346.478	12.346.478
Standard Chartered Bank, cabang Singapura/ *Singapore branch*	ICI	Pembiayaan tagihan impor/ *Import invoice financing*	25.000.000	30 Juni/ *June 30,* 2015	Januari - Maret/ *January - March* 2017	LIBOR + 3,25%	11.151.225	-
Standard Chartered Bank, cabang Jakarta/ *Jakarta Branch*	TPEC	Pembiayaan tagihan/ *Invoice financing*	15.000.000	21 Mei/ May *21,* 2015	Januari - Maret/ *January - March* 2017	3%	2.886.972	11.223.440
PT Bank ANZ Indonesia	Petrosea	Kredit modal kerja/ *Working capital loan*	22.500.000	13 Mei/*May 13*, 2011	15 Januari/ *January 15*, 2016	LIBOR + 2,5%	-	12.500.000
The Hongkong and Shanghai Banking Corporated Limieted	TPEC	Pembiayaan pemasok/ *Supplier Financing*	25.000.000	5 Mei/ May *5,* 2014	Januari - Maret/ *January - March* 2016	6,5%	-	8.960.609
PT Bank Maybank Indonesia Tbk	MSC	Kredit modal kerja/ *Demand loan*	1.000.000	24 Februari/ *February 24,* 2011	24 Pebruari/ *February 24,* 2016	5,75%	-	1.000.000
Jumlah pokok pinjaman/ *Total principal loan*							77.638.220	205.536.358
Bunga yang masih harus dibayar/ *Accrued interest*							225.354	478.937
Jumlah/*Total*							77.863.574	206.015.295

PT Bank Mandiri (Persero) Tbk

Perusahaan

Pada tahun 2016, Mandiri melakukan perubahan atas tingkat bunga yang dibebankan pada Perusahaan dari 4,24% diatas LIBOR sampai 5,5% diatas LIBOR.

PT Bank Mandiri (Persero) Tbk

The Company

In 2016, Mandiri revised the interest rate charged to the Company from 4.24% above LIBOR to 5.5% above LIBOR.

Perjanjian sehubungan dengan fasilitas pinjaman antara Perusahaan dan PT Bank Mandiri (Persero) Tbk mencakup persyaratan tertentu, antara lain, Perusahaan tidak akan melakukan tindakan sebagai berikut tanpa persetujuan tertulis dari bank untuk:

- mengikat diri sebagai penjamin hutang kecuali diperbolehkan berdasarkan ketentuan-ketentuan perjanjian obligasi yang berlaku bagi Perusahaan sebelum atau saat penandatanganan perjanjian kredit;
- merubah pemegang saham Perusahaan sampai terjadinya perubahan pengendali *(change of control)* dimana PT Indika Mitra Energi tidak lagi menjadi pemegang saham mayoritas atas Perusahaan; dan
- menjaminkan harta kekayaan Perusahaan kepada pihak lain kecuali diperbolehkan berdasarkan ketentuan-ketentuan perjanjian obligasi yang berlaku bagi Perusahaan sebelum atau saat penandatanganan perjanjian kredit.

Pada bulan Oktober dan Desember 2016 Perusahaan telah melunasi pinjaman kepada Bank Mandiri.

TPEC

Fasilitas pinjaman dari PT Bank Mandiri (Persero) Tbk bersama fasilitas kredit lainnya dijamin dengan piutang usaha/tagihan proyek (Catatan 7) dengan nilai pengikatan sebesar Rp 197,22 milyar dan US$ 181.250.000, deposito pada bank yang sama sebesar US$ 2.150.000 (Catatan 6), dan sertifikat tanah dan bangunan (SHGB) tertentu (Catatan 20) milik TPEC.

Citibank, N.A., Indonesia

Perusahaan dan IIC

Perjanjian sehubungan dengan fasilitas pinjaman antara Perusahaan, IIC dan Citibank N.A., Indonesia mencakup persyaratan tertentu, antara lain:

- setiap perubahan susunan pemegang saham Perusahaan dan IIC yang mengakibatkan PT Indika Mitra Energi tidak lagi memiliki, secara langsung maupun tidak langsung, sekurang-kurangnya 51% (lima puluh satu persen) saham yang ditempatkan pada Perusahaan dan IIC, harus mendapatkan persetujuan tertulis sebelumnya dari bank;
- Perusahaan dan IIC harus segera memberitahukan bank atas setiap perubahan pada pemegang saham Perusahaan dan manajemen inti Perusahaan dan IIC; dan
- Perusahaan dan IIC memiliki pertanggungan asuransi dan akan terus mengasuransikan semua harta kekayaannya dengan cakupan dan jumlah pertanggungan yang normal dan umum.

The agreement relating to the loan facilities between the Company and PT Bank Mandiri (Persero) Tbk contain certain covenants, among others, the Company shall not do the following actions without prior written approval from the bank to:

- act as a guarantor of debt unless permitted under terms and conditions in the Company's bond indenture existing before or as at the signing date of the credit agreement;
- change the Company's shareholder which results in change of control where PT Indika Mitra Energi is no longer a majority shareholder; and
- guarantee the Company's assets unless permitted under terms and conditions in the Company's bond indenture existing before or as at the signing date of the credit agreement.

In October and December 2016, the Company has fully paid the loan to Bank Mandiri.

TPEC

The facility together with other credit facilities from PT Bank Mandiri (Persero) Tbk are secured by certain trade accounts receivable/project claim (Note 7) amounting to Rp 197.22 billion and US$ 181,250,000, time deposit placed at the same bank amounting to US$ 2,150,000 (Note 6), and certain land and building certificate (SHGB) (Note 20) owned by TPEC.

Citibank, N.A., Indonesia

The Company and IIC

The agreement relating to the loan facilities between the Company, IIC and Citibank N.A., Indonesia contain certain covenants, among others:

- any change in the composition of shareholders of the Company and IIC which results in PT Indika Mitra Energi ceasing to own, directly or indirectly, at least 51% (fifty one per cent) of the subscribed shares of the Company and IIC is subject to the prior written consent of the bank;
- the Company and IIC shall promptly notify the bank of any change in the shareholders of the Company and IIC's key management; and
- the Company and IIC do have and shall maintain insurance on all its property and assets with, general and normal coverages.

Pada tahun 2016 Perusahaan dan IIC telah melunasi pinjaman kepada Citibank.

Petrosea

Pada tanggal 11 September 2014, Petrosea dan Citibank menyetujui untuk mengubah fasilitas tingkat bunga pinjaman menjadi LIBOR ditambah 2,5% per tahun.

Pinjaman Sindikasi dikoordinasi oleh Standard Chartered Bank

MBSS

Pada tanggal 23 Mei 2013, MBSS memperoleh fasilitas pinjaman club deal dari PT Bank ANZ Indonesia dan Standard Chartered Bank sebesar US$ 59.085.238 yang terdiri dari Fasilitas Term Loan sejumlah US$ 46.738.760 (Catatan 28) dan Fasilitas Revolving Credit sejumlah US$ 12.346.478.

Fasilitas Revolving Credit ini diperoleh MBSS untuk pembiayaan kembali pinjaman dari PT Bank Maybank Indonesia Tbk, PT Bank DBS Indonesia dan PT Bank Permata Tbk.

Pinjaman tersebut dijamin dan terkait dengan batasan yang sama dengan utang sindikasi jangka panjang (Catatan 28).

Standard Chartered Bank, Cabang Singapura

ICI

Fasilitas ini dijamin dengan non-standard Letter of Comfort atau Letter of Awarenees yang diterbitkan oleh Perusahaan.

TPEC

Bank mensyaratkan jaminan setor tunai sebesar 10% dari fasilitas *letter of credit import* yang digunakan.

Pada saat ini, fasilitas ini masih dalam proses perpanjangan.

PT Bank ANZ Indonesia

Petrosea

Sesuai amandemen perjanjian antara Petrosea dan PT Bank ANZ Indonesia, setiap keterlambatan pembayaran pokok pinjaman dan bunga yang sudah jatuh tempo akan dikenakan bunga sebesar LIBOR ditambah 2,5% per tahun di atas suku bunga yang telah ditetapkan.

In 2016, the Company and IIC has fully paid the loan to Citibank.

Petrosea

On September 11, 2014, Petrosea and Citibank agreed to amend the interest rate of the credit facility to become LIBOR plus 2.5% per annum.

Syndicated Loan coordinated by Standard Chartered Bank

MBSS

On May 23, 2013, MBSS obtained a club deal loan facility from PT Bank ANZ Indonesia and Standard Chartered Bank amounting to US$ 59,085,238 which consist of Term Loan Facility amounting to US$ 46,738,760 (Note 28) and Revolving Credit Facility amounting to US$ 12,346,478.

This Revolving Credit Facility was obtained by MBSS to refinance the loan from PT Bank Maybank Indonesia Tbk, PT Bank DBS Indonesia and PT Bank Permata Tbk.

The facility has the same collateral and covenants as those of the long term syndicated loan facility (Note 28).

Standard Chartered Bank, Singapore Branch

ICI

The above facility was secured by non-standard Comfort or Letter of Awareness provided by the Company.

TPEC

The bank required a cash margin deposit of 10% of the import facility's letter of credit used.

Currently, this facility is in the process of extention.

PT Bank ANZ Indonesia

Petrosea

Based on amendment between Petrosea and PT Bank ANZ Indonesia, any overdue principal and interest shall carry interest at LIBOR plus 2.5% per annum above the stipulated interest rate.

Pinjaman diatas dijamin dengan sejumlah piutang usaha dan aset tetap Petrosea dan *Letter of* Awareness dari Perusahaan (Catatan 7 dan 20).

These loans are collateralized by certain trade accounts receivable and property, plant and equipment of Petrosea and Letter of Awareness from the Company (Notes 7 and 20).

Pada tanggal 29 Desember 2016, Petrosea menerima surat dari PT Bank ANZ Indonesia yang menyatakan bahwa semua kewajiban telah dilunasi.

On December 29, 2016, Petrosea has received letter from PT Bank ANZ Indonesia stating that all of its obligations has been fully settled.

Saldo atas utang modal kerja dari PT Bank ANZ Indonesia sebesar nihil pada tanggal 31 Desember 2016 dan US$ 12.5 juta pada tanggal 31 Desember 2015 serta saldo atas bank garansi sebesar US$ 4,301 ribu pada tanggal 31 Desember 2015.

The outstanding balance of the working capital loan from PT Bank ANZ Indonesia amounted to nil as of December 31, 2016 and US$ 12.5 million as of December 31, 2015 and used balance of bank guarantees amounted to US$ 1,375 thousand, US$ 4,301 thousand as of December 31, 2016, 2015, respectively.

Pada bulan Desember 2016, saldo atas utang modal kerja sudah sepenuhnya dibayar.

In December 2016, the outstanding balance of the working capital loan is fully repaid.

The Hongkong and Shanghai Banking Corporation Limited

The Hongkong and Shanghai Banking Corporation Limited

Fasilitas ini akan terus berlaku hingga Bank secara tertulis membatalkan, menghentikan atau membebaskan TPEC dari kewajibannya.

The facility shall continue to be applicable until the Bank cancels, ceases or discharges in writing TPEC from its obligation.

Seluruh pinjaman bank untuk pembiayaan pemasok telah dilunasi oleh TPEC pada bulan Juni 2016.

All bank loans under supplier financing facility were fully paid by TPEC in June 2016.

PT Bank Maybank Indonesia Tbk

PT Bank Maybank Indonesia Tbk

Perjanjian kredit ini digunakan untuk membiayai *floating crane* yang dinamai Princesse Chloe.

This credit agreement used for the financing of floating crane named Princesse Chloe.

Fasilitas kredit modal kerja ini telah dilunasi oleh MBSS pada tanggal 24 Pebruari 2016.

This demand loan facility has been fully paid on February 24, 2016.

25. UTANG USAHA / 25. TRADE ACCOUNTS PAYABLE

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
a. Berdasarkan pemasok			a. By creditor
Pihak berelasi (Catatan 49)	64.246	273.217	Related parties (Note 49)
Pihak ketiga			Third parties
Pemasok lokal	110.667.181	122.580.431	Local suppliers
Pemasok luar negeri	5.113.328	1.615.373	Foreign suppliers
Jumlah pihak ketiga	115.780.509	124.195.804	Total third parties
Jumlah	115.844.755	124.469.021	Total
b. Berdasarkan umur			b. By age
Belum jatuh tempo	82.582.284	105.706.866	Current
Sudah jatuh tempo			Overdue
1 - 30 hari	4.737.810	9.840.993	1 - 30 days
31 - 90 hari	7.003.241	2.000.279	31 - 90 days
91 - 180 hari	10.047.908	1.862.025	91 - 180 days
181 - 360 hari	8.041.804	1.773.469	181 - 360 days
> 360 hari	3.431.708	3.285.389	> 360 days
Jumlah	115.844.755	124.469.021	Total
c. Berdasarkan mata uang			c. By currency
Dollar Amerika Serikat	59.409.063	74.935.098	U.S. Dollar
Rupiah	56.109.714	49.026.373	Rupiah
Euro	176.886	146.565	Euro
Dollar Australia	77.470	11.562	Australian Dollar
Dollar Singapura	37.166	131.243	Singapore Dollar
Poundsterling Inggris	34.456	217.548	Great Britain Poundsterling (GBP)
Ringgit Malaysia	-	632	Malaysian Ringgit
Jumlah	115.844.755	124.469.021	Total

Utang usaha atas jasa sub-kontraktor dan pembelian barang dan jasa dari pihak ketiga memiliki jangka waktu kredit antara 14 sampai dengan 50 hari. Tidak ada bunga yang dibebankan pada utang usaha.

Trade accounts payable to sub-contractors and purchase of goods and services transactions from third parties has credit terms of 14 to 50 days. No interest is charged to the trade accounts payable.

26. UTANG PAJAK / 26. TAXES PAYABLE

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Pajak kini (Catatan 43)			Current tax (Note 43)
Entitas anak			Subsidiaries
Final			Final
2015	-	30.438	2015
Tidak final			Non-final
2016	1.133.386	-	2016
2015	-	3.222.378	2015
2014	-	107.763	2014
Pajak penghasilan			Income tax
Pasal 4(2)	130.385	412.082	Article 4(2)
Pasal 15	15.133	65.337	Article 15
Pasal 21	2.332.329	2.695.148	Article 21
Pasal 23	291.467	310.646	Article 23
Pasal 25	15.730	-	Article 25
Pasal 26	24.599	781.306	Article 26
Pajak pertambahan nilai	479.455	400.560	Value-added tax
Jumlah	4.422.484	8.025.658	Total

27. BIAYA MASIH HARUS DIBAYAR / 27. ACCRUED EXPENSES

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Gaji, insentif dan bonus karyawan	23.510.072	16.710.373	Salaries, employees' incentives and bonus
Biaya konstruksi dan sub-kontraktor	6.609.965	37.535.572	Construction and sub-contractors expenses
Pajak kendaraan	860.700	713.226	Vehicle tax
Jasa profesional	215.299	1.346.798	Professional fees
Pembelian material dan suku cadang	926.621	8.598.925	Purchase of materials and spare parts
Lain-lain (masing-masing dibawah US$ 1 juta)	6.323.952	6.023.219	Others (each below US$ 1 million)
Jumlah	38.446.609	70.928.113	Total

28. PINJAMAN JANGKA PANJANG / 28. LONG-TERM LOANS

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Utang bank			Bank loans
Dollar Amerika Serikat			U.S. Dollar
Pinjaman sindikasi			Syndicated loan
(Standard Chartered Bank)	25.413.848	36.667.070	(Standard Chartered Bank)
PT Bank Permata Tbk	12.574.701	16.827.652	PT Bank Permata Tbk
PT Indonesia Eximbank	1.934.493	3.433.707	PT Indonesia Eximbank
PT Bank Maybank Indonesia Tbk	-	575.925	PT Bank Maybank Indonesia Tbk
Dollar Singapura			Singapore Dollar
Bank DBS Ltd., Cabang Singapura	-	12.775.244	Bank DBS Ltd., Singapore Branch
Rupiah			Rupiah
PT Mandiri Tunas Finance	154.363	308.594	PT Mandiri Tunas Finance
PT Toyota Astra Financial Services	37.290	88.643	PT Toyota Astra Financial Services
PT Bank Victoria International Tbk	-	1.751	PT Bank Victoria International Tbk
Jumlah	40.114.695	70.678.586	Total
Dikurangi bagian yang jatuh tempo dalam satu tahun	(21.847.065)	(18.292.014)	Less current maturities
Pinjaman jangka panjang - bersih	18.267.630	52.386.572	Long-term loans - net
Jadwal pembayaran pokok pinjaman			Schedule of principal repayment
Pada tahun pertama	21.847.065	18.292.014	In the first year
Pada tahun kedua	12.745.060	22.939.711	In the second year
Pada tahun ketiga	5.522.570	24.134.300	In the third year
Pada tahun keempat	-	5.312.561	In the fourth year
Jumlah	40.114.695	70.678.586	Total
Tingkat suku bunga per tahun			Interest rates per annum
Dollar Amerika Serikat	3,3% - 6,1%	2,5% - 6,1%	U.S. Dollar
Dollar Singapura	-	2,9%	Singapore Dollar
Rupiah	5,2% - 5,5%	13,5%	Rupiah

Pada tanggal 31 Desember 2016 dan 2015, rincian fasilitas pinjaman jangka panjang adalah sebagai berikut:

As of December 31, 2016 and 2015, details of long-term loan facilities are as follows:

Nama kreditur/ *Name of creditors*	Entitas/ *Entities*	Jenis fasilitas/ *Type of facility*	Fasilitas maksimum/ *Maximum facility*	Tanggal perjanjian/ *Agreement date*	Tanggal jatuh tempo fasilitas/ *Maturity date of facility*	Tingkat bunga per tahun/ *Interest rate per annum*	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015
			US$				US$	US$
Pinjaman sindikasi dikoordinasi oleh/ *Syndicated loan coordinated by* Standard Chartered Bank	MBSS	Pinjaman berjangka/ *Term Loan*	46.738.760	23 Mei/ *May 23,* 2013	Mei/*May* 2018	LIBOR + 3,25%	25.413.848	36.667.070
PT Bank Permata Tbk	MBSS	Pinjaman berjangka/ *Term Loan*	18.000.000	Juni/ *June* 2012	Desember/ *December* 2020	5,75%	9.490.489	11.572.616
	MASS	Pinjaman berjangka/ *Term Loan*	12.000.000	22 Mei/ *May 22*, 2012	Mei/*May* 2018	6,00%	3.084.212	5.255.036
Sub-jumlah/*Sub-total*							12.574.701	16.827.652
PT Indonesia Eximbank	MBSS	Kredit pembiayaan/ *Financing credit*	8.000.000	2 April/ *April 2,* 2012	April/*April* 2018	6,1%	1.934.493	3.433.707
PT Bank Maybank Indonesia Tbk	MSC	Pinjaman berjangka/ *Term Loan*	19.200.000	24 Pebruari/ *February 24*, 2011	Pebruari/ *February* 2016	5,75%	-	575.925
Bank DBS Ltd., Singapore Branch	TS	Pinjaman jangka panjang/ *Long term-loan*	16.662.800	1 Juli/ *July 1,* 2011	Juli/*July* 2031	Bunga mengambang/ *Floating rate*	-	12.775.244
PT Mandiri Tunas Finance	IIC	Kredit pembiayaan/ *Financing credit*	-	Januari/ *January,* 2015	Januari/ *January,* 2018	5,19%	154.363	308.594
PT Toyota Astra Financial Services	Perusahaan/ *The Company*	Kredit pembiayaan/ *Financing credit*	-	Pebruari/ *February*, 2012	September/ *September*, 2017	5,5%	37.290	88.643
PT Bank Victoria International Tbk	Perusahaan/ *The Company*	Kredit pembiayaan/ *Financing credit*	-	Januari/ *January,* 2015	Agustus/ *August*, 2016	9,03%-9,94%	-	1.751
Jumlah/*Total*							40.114.695	70.678.586

Pinjaman Sindikasi dikoordinasi oleh Standard Chartered Bank

MBSS

Pada tanggal 23 Mei 2013, MBSS memperoleh fasilitas pinjaman *club deal* dari PT Bank ANZ Indonesia dan Standard Chartered Bank sebesar US$ 59.085.238 yang terdiri dari Fasilitas *Term Loan* sejumlah US$ 46.738.760 dan Fasilitas *Revolving Credit* sejumlah US$ 12.346.478 (Catatan 24).

Fasilitas pinjaman *Term Loan* ini diperoleh dalam rangka pembiayaan kembali pinjaman di PT Bank Permata Tbk sebesar US$ 13.461.775 dan seluruh pinjaman di PT Bank Maybank Indonesia Tbk, The Hongkong and Shanghai Banking Corporation Limited dan PT Bank Danamon Indonesia Tbk.

Fasilitas ini telah dicairkan seluruhnya pada tahun 2013.

Pinjaman tersebut dijamin dengan:

- Fidusia atas tagihan MBSS dengan nilai objek jaminan fidusia sebesar US$ 12.000.000;
- 21 unit kapal tongkang dengan nama: Finacia 100, Finacia 101, Finacia 102, Finacia 103, Finacia 105, Finacia 35, Finacia 36, Finacia 38, Finacia 50, Finacia 58, Finacia 63, Finacia 69, Finacia 71, Finacia 97, Finacia 98, Finacia 99, Finacia 82, Labuan 2705, Finacia 81, Finacia 70; Finacia 75;

Syndicated Loan coordinated by Standard Chartered Bank

MBSS

On May 23, 2013, MBSS obtained a club deal loan facility from PT Bank ANZ Indonesia and Standard Chartered Bank Indonesia amounting to US$ 59,085,238 which consist of Term Loan Facility amounting to US$ 46,738,760 and Revolving Credit Facility amounting to US$ 12,346,478 (Note 24).

This Term Loan facility is obtained to refinance loans from PT Bank Permata Tbk amounting to US$ 13,461,775 and all loans from PT Bank Maybank Indonesia Tbk, The Hongkong and Shanghai Banking Corporation Limited and PT Bank Danamon Indonesia Tbk.

This facility has been fully drawn in 2013.

This loan is secured by:

- Fiduciary over MBSS' receivables, with fiduciary collateral value of US$ 12,000,000;
- 21 units of barges namely: Finacia 100, Finacia 101, Finacia 102, Finacia 103, Finacia 105, Finacia 35, Finacia 36, Finacia 38, Finacia 50, Finacia 58, Finacia 63, Finacia 69, Finacia 71, Finacia 97, Finacia 98, Finacia 99, Finacia 82, Labuan 2705, Finacia 81, Finacia 70; Finacia 75;

- 28 unit kapal tunda dengan nama: Entebe Emerald 23, Entebe Emerald 25, Entebe Emerald 33, Entebe Emerald 50, Entebe Megastar 72, Entebe Power 10, Entebe Power 8, Entebe Star 30, Entebe Star 57, Entebe Star 62, Entebe Star 76, Mega Power 12, Mega Power 23, Selwyn 3, Entebe Emerald 69, Entebe Star 71, Megastar 75, Segara Sejati 1, Segara Sejati 3, Entebe Star 78, Entebe Emerald 51, Entebe Star 69, Entebe Megastar 63, Entebe Megastar 67, Entebe Megastar 73, Entebe Megastar 79, Entebe Megastar 65, Entebe Megastar 66; dan

- 2 unit *Floating Crane* dengan nama *Floating Crane* Nicholas dan *Floating Crane* Ben Glory.

MBSS terikat dengan beberapa batasan, antara lain, rasio keuangan sebagai berikut :
- Rasio utang bersih konsolidasian terhadap EBITDA tidak lebih dari 3 : 1;
- *Debt Service Coverage Ratio (DSCR)* tidak kurang dari 1,25 : 1;
- *Gearing Ratio* tidak lebih dari 2 : 1;
- EBITDA tidak kurang dari US$ 20.000.000;
- Gabungan belanja modal tidak boleh melebihi 11% dari belanja modal yang telah diperkirakan; dan
- *Security Coverage Ratio* tidak kurang dari 1,25 : 1.

Pada tanggal 31 Desember 2016, MBSS tidak memenuhi persyaratan DSCR dan EBITDA. Namun, Standard Chartered Bank (Hong Kong) Limited sebagai "Facility Agent", menyetujui untuk mengabaikan tidak terpenuhinya DSCR dan EBITDA tersebut.

Selain itu fasilitas ini juga mensyaratkan MBSS untuk memiliki *Debt Service Reserve Accounts* (DSRA) di PT Bank ANZ Indonesia dan Standard Chartered Bank, Cabang Jakarta.

Jadwal pelunasan pokok pinjaman adalah sebagai berikut:

Tahun/ *Year*	Pembayaran pokok pinjaman/ *Principal repayment*
1	3,32%
2	6,68%
3	20,00%
4	30,00%
5	40,00%
	100,00%

Pinjaman tersebut memiliki jaminan dan pembatasan yang sama dengan utang sindikasi jangka pendek (Catatan 24).

- 28 units of tug boats namely: Entebe Emerald 23, Entebe Emerald 25, Entebe Emerald 33, Entebe Emerald 50, Entebe Megastar 72, Entebe Power 10, Entebe Power 8, Entebe Star 30, Entebe Star 57, Entebe Star 62, Entebe Star 76, Mega Power 12, Mega Power 23, Selwyn 3, Entebe Emerald 69, Entebe Star 71, Megastar 75, Segara Sejati 1, Segara Sejati 3, Entebe Star 78, Entebe Emerald 51, Entebe Star 69, Entebe Megastar 63, Entebe Megastar 67, Entebe Megastar 73, Entebe Megastar 79, Entebe Megastar 65, Entebe Megastar 66; and

- 2 units of Floating Crane, namely, Floating Crane Nicholas and Floating Crane Ben Glory.

MBSS is required to comply with several restrictions, among others, to maintain financial ratios as follows:
- Ratio of Consolidated Net Debt to EBITDA shall not exceed 3 : 1;
- Debt Service Coverage Ratio (DSCR) shall not be less than 1.25 : 1;
- Gearing Ratio shall not exceed 2 : 1;
- EBITDA shall not be less than US$ 20,000,000;
- The aggregrate capital expenditure shall not exceed 11% of forecasted capital expenditure; and
- Security Coverage Ratio shall not less than 1.25 : 1.

As of December 31, 2016, MBSS did not fulfill the DSCR and EBITDA covenants. However, Standard Chartered Bank (Hong Kong) Limited as Facility Agent, agreed to waive the above breach over DSCR and EBITDA.

The facility also requires MBSS to have Debt Service Reserve Accounts (DSRA) at PT Bank ANZ Indonesia and Standard Chartered Bank, Jakarta Branch.

The principal repayment schedule are as follows:

The facility has the same collaterals and covenants as those of the short-term syndicated loan facility (Note 24).

PT Bank Permata Tbk

MBSS

Fasilitas pinjaman kepada MBSS dijamin dengan:

- 1 unit kapal *floating crane* dengan nilai penjaminan 120%; dan
- Piutang Usaha minimum sebesar US$ 750.000.

MBSS terikat dengan beberapa batasan untuk memelihara rasio keuangan:

- *Leverage ratio* maksimum 3 kali; dan
- *Debt service coverage ratio* minimal 1,25 kali.

MBSS wajib meminta persetujuan tertulis terlebih dahulu kepada bank bila akan memperoleh pinjaman diatas US$ 10.000.000.

Pada tanggal 31 Desember 2016, MBSS tidak memenuhi persyaratan DSCR minimal 1,25 kali. Namun PT Bank Permata Tbk menyetujui untuk mengabaikan tidak terpenuhinya rasio tersebut diatas.

MASS

Fasilitas pinjaman kepada MASS dijamin dengan 1 unit kapal *floating crane* bernama FC Blitz.

MASS terikat dengan beberapa batasan untuk memelihara rasio keuangan:

- *Debt to equity ratio* maksimum 4 kali; dan
- *Debt service coverage ratio* minimal 1,25 kali.

Ketentuan ini berlaku efektif pada saat satu tahun setelah operasional *floating crane* berjalan.

PT Indonesia Eximbank

MBSS

Pinjaman ini dijamin dengan 3 set kapal tunda dan tongkang yang dibiayai oleh bank.

Tanpa persetujuan tertulis dari Eximbank, MBSS tidak boleh melakukan tindakan-tindakan sebagai berikut:

- Mengubah status dan menurunkan modal disetor MBSS;
- Memperoleh utang baru diluar transaksi usaha yang normal sehingga rasio utang berbanding modal melebihi 3 kali;
- Melakukan merger atau akuisisi yang dapat menghambat kewajiban pembayaran pembiayaan;
- Menggunakan pembiayaan diluar tujuan yang telah diatur;
- Menjual atau memindahtangankan aset yang telah dijaminkan kepada bank; dan
- Melakukan transaksi kepada pihak lain diluar kewajaran.

PT Bank Permata Tbk

MBSS

Such facility to MBSS was secured by:

- 1 unit floating crane with a pledged value of 120%; and
- Receivables at a minimum amount of US$ 750,000.

MBSS is required to comply with several restrictions, among others, to maintain financial ratios as follows:

- maximum leverage ratio of 3 times; and
- minimum debt service coverage ratio of 1.25 times.

MBSS must obtain written approval from the bank if it will obtain borrowings of US$ 10,000,000 and above.

As of December 31, 2016, MBSS did not fulfill the required minimum DSCR of 1.25 times covenant. However, PT Bank Permata Tbk agreed to waive the above breach over DRCR.

MASS

Such facility to MASS is secured by 1 unit floating crane named FC Blitz.

MASS is required to comply with several restrictions, among others, to maintain financial ratios as follows:

- maximum debt to equity ratio of 4 times; and
- minimum debt service coverage ratio of 1.25 times.

These terms will be effective on the first year after the floating crane commence its operations.

PT Indonesia Eximbank

MBSS

This loan is secured by 3 sets of the related tugboats and barges financed by the bank.

MBSS shall not perform the following actions without prior writtern approval from Eximbank:

- Change the status and reduce the paid up capital of MBSS;
- Acquire new debt other than in the normal course of business that will result in debt to equity ratio exceeding 3 times;
- Undertake any merger or acquisition that could affect financing obligations payment;
- Use the proceeds other than originally planned;
- Sell or transfer assets that have been pledged to bank; and
- Undertake transactions with other parties that are not within normal terms.

PT Bank Maybank Indonesia Tbk

MSC

Fasilitas *term loan* ini telah dilunasi oleh MSC pada tanggal 24 Pebruari 2016.

Bank DBS Ltd. Cabang Singapura

TS

Pinjaman antara DBS dan TS dikenakan bunga per tahun sebagai berikut:

- Tahun pertama : 2,58% (suku bunga tetap)
- Tahun kedua : 2,78% (suku bunga tetap)
- Tahun ketiga : 2,98% (suku bunga tetap)
- Tahun-tahun berikutnya sebesar suku bunga yang berlaku di bank sebesar 2,38%.

Pinjaman ini dijaminkan dengan bangunan kantor milik TS dan akta subordinasi yang harus dijalankan oleh direksi/pemegang saham/TS yang terkait sehubungan dengan semua pinjaman subordinasi yang ada dan juga di masa depan.

TS diharuskan memenuhi *Loan to Value Ratio* (LTV) dengan memastikan bahwa pinjaman tidak melebihi 80% dari nilai pasar properti investasi. Dalam hal LTV melebihi 80%, TS diharuskan memberikan jaminan tambahan yang dapat diterima bank atau mengurangi jumlah pinjaman untuk memulihkan LTV.

Pinjaman ini telah dibayar seluruhnya pada bulan Mei 2016.

PT Toyota Astra Financial Services (TAFS), PT Mandiri Tunas Finance (MTF) dan PT Bank Victoria International Tbk (BVI)

Utang kepada TAFS, MTF dan BVI merupakan pinjaman jangka panjang Perusahaan dan IIC untuk pembiayaan kendaraan bermotor baru dengan jangka waktu 2-3 tahun.

Perjanjian pinjaman jangka panjang tersebut di atas mencakup persyaratan tertentu yang harus dipenuhi oleh Perusahaan dan IIC, termasuk ketentuan mengenai peristiwa yang berakibat gagal bayar.

PT Bank Maybank Indonesia Tbk

MSC

The term loan facility has been fully paid by MSC on February 24, 2016.

Bank DBS Ltd. Singapore Branch

TS

The loan between DBS and TS bears the following interest rate per annum:

- 1st year at 2.58% fixed;
- 2nd year at 2.78% fixed;
- 3rd year at 2.98% fixed;
- Subsequent years at the bank's prevailing rate of 2.38%.

This loan is secured by TS' office unit and a deed of subordination to be executed by Directors/Shareholders/TS in respect of subordination of all existing and future loans.

TS needs to comply with the Loan to Value Ratio (LTV) financial covenants by ensuring that the outstanding loans do not exceed 80% of the market value of the investment property. In the event that the LTV exceeds 80%, TS needs to provide additional collateral acceptable to the bank or reduce the outstanding amount to restore the LTV.

This loan was fully paid in May 2016

PT Toyota Astra Financial Services (TAFS), PT Mandiri Tunas Finance (MTF) and PT Bank Victoria International Tbk (BVI)

Loans from TAFS, MTF and BVI represent long-term loans of the Company and IIC for the financing of new vehicles for a period ranging from 2-3 years.

The agreement of the long-term loans contains certain covenants, which the Company and IIC are required to fulfill, including provision regarding events of default.

29. LIABILITAS SEWA PEMBIAYAAN

Pembayaran minimum sewa berdasarkan perjanjian sewa pada tanggal 31 Desember 2016 dan 2015, adalah sebagai berikut:

29. LEASE LIABILITIES

The future minimum lease payments based on the lease agreements as of December 31, 2016 and 2015 are as follows:

	Pembayaran minimum sewa pembiayaan/ *Minimum lease payments*		Nilai kini pembayaran minimum sewa pembiayaan/ *Present value of minimum lease payments*		
	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	US$	US$	
a. Berdasarkan jatuh tempo					a. By due date
Tidak lebih dari satu tahun	7.362.583	19.295.299	6.844.580	19.030.516	Not later than one year
Lebih dari satu tahun dan kurang dari lima tahun	10.476.313	11.104.277	9.844.597	10.151.470	Later than one year and not later than five years
Sub-jumlah	17.838.896	30.399.576	16.689.177	29.181.986	Sub-total
Dikurangi: biaya keuangan masa depan	(1.149.721)	(1.217.125)	-	-	Less: future finance charges
Dikurangi: beban sewa pembiayaan yang belum diamortisasi	(85.270)	(583.716)	(85.270)	(583.716)	Less: unamortized lease fees
Ditambah: bunga masih harus dibayar	-	-	15.388	43.566	Add: accrued interest
Nilai kini pembayaran minimum sewa	16.603.905	28.598.735	16.619.295	28.641.836	Present value of minimum lease payments
Bagian yang jatuh tempo dalam waktu satu tahun			(6.859.968)	(19.074.671)	Current maturity
Liabilitas sewa pembiayaan jangka panjang - Bersih			9.759.327	9.567.165	Long-term lease liabilities - Net
b. Berdasarkan lessor					b. By lessor
PT Mitsubishi UFJ Lease and Finance Indonesia			14.120.529	13.981.082	PT Mitsubishi UFJ Lease and Finance Indonesia
PT Orix Indonesia Finance			1.491.159	4.197.664	PT Orix Indonesia Finance
PT Caterpillar Finance Indonesia			1.006.410	1.677.150	PT Caterpillar Finance Indonesia
PT Toyota Astra Financial Services			71.079	182.883	PT Toyota Astra Financial Services
PT Mitra Pinasthika Mustika Finance			-	9.143.207	PT Mitra Pinasthika Mustika Finance
Sub-jumlah			16.689.177	29.181.986	Sub-total
Beban sewa pembiayaan yang belum diamortisasi			(85.270)	(583.716)	Unamortized lease fees
Bunga masih harus dibayar			15.388	43.566	Accrued interest
Jumlah			16.619.295	28.641.836	Total

Liabilitas sewa pembiayaan terutama terdiri atas utang pembelian alat berat dari Petrosea. Utang ini dijamin dengan aset sewaan bersangkutan dengan jangka waktu 4 sampai 5 tahun.

Liabilitas sewa pembiayaan yang didenominasi dalam Rupiah, selain mata uang fungsional Perusahaan dan entitas anak, masing-masing sebesar US$ 71.079 dan US$ 182.833 pada tahun 2016 dan 2015.

PT Mitsubishi UFJ Lease & Finance Indonesia (MUFJ)

Pada tanggal 18 April 2012, Petrosea dan MUFJ menandatangani Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar US$ 25 juta. Tingkat suku bunga fasilitas ini adalah sebesar 3,40% ditambah tingkat bunga SIBOR. Sejak Januari 2014, tingkat suku bunga diubah menjadi sebesar 3,40% ditambah tingkat bunga LIBOR. Fasilitas ini tersedia untuk 6 (enam) bulan.

Lease liabilities mainly consist of purchases of heavy equipments by Petrosea. These liabilities are secured by the related leased assets. The leases have terms of 4 to 5 years.

Lease liabilities denominated in Rupiah, other than the functional currency of the Company and its subsidiaries, amounted to US$ 71,079 and US$ 182,833 as of December 31, 2016 and 2015, respectively.

PT Mitsubishi UFJ Lease & Finance Indonesia (MUFJ)

On April 18, 2012, Petrosea and MUFJ entered into a Finance Lease Facility Agreement, whereby Petrosea was granted a finance lease facility amounting to US$ 25 million. The interest rate on this facility is 3.40% plus SIBOR. Starting January 2014, the interest rate is changed to 3.40% plus LIBOR. The facility is available for 6 (six) months.

Pada tanggal 1 September 2015, Petrosea dan MUFJ menandatangani perjanjian Fasilitas Kredit untuk Sewa Pembiayaan (penjualan dan penyewaguna usaha kembali dengan hak opsi) dimana Petrosea diberikan fasilitas kredit sewa pembiayaan dengan opsi pembiayaan maksimal dan uang jaminan masing-masing sebesar US$ 15 juta dan US$ 1.389 ribu. Jangka waktu sewa guna usaha selama 5 (lima) tahun. Tingkat bunga atas fasilitas ini adalah 4,07% - 4,31% ditambah tingkat bunga atas 3 (tiga) bulan SIBOR. Pada tanggal 31 Desember 2016 dan 2015, Petrosea telah menggunakan fasilitas masing-masing sebesar US$ 14.806 ribu dan US$ 7.128 ribu.

On September 1, 2015, Petrosea and MUFJ entered into a Finance Lease Facility Agreement (with option sale and leaseback option), whereby Petrosea was granted a finance lease facility with maximum financing option and security deposit amounting to US$ 15 million and US$ 1,389 thousand, respectively. The lease has a term of 5 (five) years. The interest rate on this facility is 4.07% - 4.31% plus interest rate of 3 (three) months SIBOR. As of December 31, 2016 and 2015, Petrosea has used the facility amounting to US$ 14,806 thousand and US$ 7,128 thousand, respectively.

PT Orix Indonesia Finance

Pada tanggal 28 Juni 2012, Petrosea dan PT Orix Indonesia Finance menandatangani Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar US$ 15 juta. Tingkat suku bunga fasilitas ini adalah sebesar 3,50% ditambah tingkat bunga SIBOR. Sejak Januari 2014, tingkat suku bunga diubah menjadi sebesar 3,50% ditambah tingkat bunga LIBOR. Fasilitas ini tersedia untuk 12 (dua belas) bulan.

PT Orix Indonesia Finance

On June 28, 2012, Petrosea and PT Orix Indonesia Finance entered into a Finance Lease Facility Agreement, whereby Petrosea was granted a finance lease facility amounting to US$ 15 million. The interest rate on this facility is 3.50% plus SIBOR. Starting January 2014, the interest rate is changed to 3.50% plus LIBOR. The facility is available for 12 (twelve) months.

Jangka waktu dari liabilitas sewa pembiayaan dalam perjanjian ini adalah selama 5 tahun

The lease libility's term under the agreement is 5 years

PT Caterpillar Finance Indonesia

Pada tanggal 3 Maret 2005, Petrosea dan PT Caterpillar Finance Indonesia menandatangani Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar US$ 50 juta. Fasilitas ini tersedia sampai dengan tanggal 20 Agustus 2013. Tingkat suku bunga fasilitas ini adalah sebesar 3,50% ditambah tingkat bunga 3 (tiga) bulan LIBOR dan 3,75% ditambah tingkat bunga 3 (tiga) bulan LIBOR.

PT Caterpillar Finance Indonesia

On March 3, 2005, Petrosea and PT Caterpillar Finance Indonesia entered into a Finance Lease Facility Agreement, whereby Petrosea was granted a finance lease facility amounting to US$ 50 million. This facility is available until August 20, 2013. The interest rate on this facility is 3.50% plus interest rate of 3 (three) months LIBOR and 3.75% plus interest rate of 3 (three) months LIBOR.

Jangka waktu dari liabilitas sewa pembiayaan dibawah perjanjian ini adalah selama 5 tahun

The lease libility's term under the agreement is 5 years

PT Toyota Astra Financial Services (TAF)

Pada tanggal 1 Oktober 2014, Petrosea dan TAF menandatangani perjanjian fasilitas pembiayaan kendaraan dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar Rp 1,8 miliar (setara dengan US$ 150 ribu). Fasilitas ini berlaku sampai dengan tanggal 1 Oktober 2017. Tingkat bunga fasilitas adalah 5,5% per tahun.

Pada tanggal 4 Nopember 2014, Petrosea dan TAF menandatangani perjanjian fasilitas pembiayaan kendaraan dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar Rp 1,8 miliar (setara dengan US$ 148 ribu). Fasilitas ini berlaku sampai dengan tanggal 4 Nopember 2017. Tingkat bunga fasilitas adalah 5,5% per tahun.

PT Toyota Astra Financial Services (TAF)

On October 1, 2014, Petrosea and TAF entered into a consumer finance facility agreement wherein Petrosea was granted a finance lease facility for vehicles amounting to Rp 1.8 billion (equivalent to US$ 150 thousand). The facility is available until October 1, 2017. The interest rate on this facility is 5.5% per annum.

On November 4, 2014, Petrosea and TAF entered into a consumer finance facility agreement wherein Petrosea was granted a finance lease facility amounting to Rp 1.8 billion (equivalent to US$ 148 thousand). The facility is available until November 4, 2017. The interest rate on this facility is 5.5% per annum.

PT Mitra Pinasthika Mustika Finance (MPMF)

Pada tanggal 10 Juni 2011, Petrosea dan MPMF menandatangani Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan, dimana Petrosea diberikan fasilitas kredit sewa pembiayaan sebesar US$ 45 juta. Tingkat bunga untuk fasilitas ini adalah 3% ditambah tingkat bunga LIBOR. Fasilitas ini tersedia untuk 6 (enam) bulan.

Pada tanggal 24 Januari 2012, Petrosea dan MPMF menyetujui untuk memperpanjang Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan dimana Petrosea diberikan tambahan fasilitas kredit sewa pembiayaan sebesar US$ 75 juta. Tingkat suku bunga fasilitas ini adalah sebesar 3,125% ditambah tingkat bunga LIBOR. Fasilitas ini tersedia untuk 24 (dua puluh empat) bulan sampai dengan 24 Januari 2014.

Pada tanggal 8 Agustus 2012, Petrosea dan MPMF menyetujui untuk melakukan perubahan didalam Perjanjian Fasilitas Kredit untuk Sewa Pembiayaan ini yaitu dengan memasukkan nama Oversea-Chinese Banking Corporation Limited dan PT. Bank OCBC NISP, Tbk sebagai tambahan pihak kreditur, yang semula hanya PT Bank ANZ Indonesia dan The Trust Company (Asia) Limited sebagai pihak agen fasillitas kredit.

Fasilitas kredit ini telah dilunasi oleh Petrosea pada tanggal 15 Desember 2016.

Beban bunga sewa pembiayaan untuk tahun-tahun yang berakhir 31 Desember 2016 dan 2015 masing-masing sebesar US$ 749.896 dan US$ 1.549.246 (Catatan 39).

Syarat dan ketentuan atas perjanjian sewa pembiayaan adalah sebagai berikut:

i. Petrosea tidak diperbolehkan untuk menjual, meminjamkan atau melakukan sewa kembali atau melepaskan, atau menghentikan pengendalian langsung atas aset sewaan;

ii. Petrosea tidak diperbolehkan menggunakan aset sewaan sebagai jaminan, termasuk jaminan deposito, atau garansi kepada lessor lainnya; dan

iii. Untuk liabilitas sewa guna usaha pembiayaan dengan MPMF, Petrosea diharuskan untuk mempertahankan rasio keuangan tertentu yang dihitung berdasarkan laporan keuangan konsolidasian.

PT Mitra Pinasthika Mustika Finance (MPMF)

On June 10, 2011, Petrosea and MPMF entered into a Finance Lease Facility Agreement, whereby Petrosea was granted a finance lease facility amounting to US$ 45 million. The interest rate on this facility is 3% plus LIBOR. This facility is available for 6 (six) months.

On January 24, 2012, Petrosea and MPMF agreed to amend the above Finance Lease Facility Agreement, whereby Petrosea was granted an additional finance lease facility amounting to US$ 75 million. The interest rate on this facility is 3.125% plus LIBOR. The facility is available for 24 (twenty four) months until January 24, 2014.

On August 8, 2012, Petrosea and MPMF agreed to amend this Finance Lease Facility Agreement by adding Oversea-Chinese Banking Corporation Limited and PT. Bank OCBC NISP, Tbk as the additional creditors, which originally consists of only PT Bank ANZ Indonesia and The Trust Company (Asia) Limited as the facility agents.

This facility has been fully paid by Petrosea on December 15, 2016.

The finance lease interest expense incurred for the years ended December 31, 2016 and 2015 amounted to US$ 749,896 and US$ 1,549,246, respectively (Note 39).

Significant general terms and conditions of the finance leases are as follows:

i. Petrosea is prohibited to sell, lend, sublease, or otherwise dispose of or, cease to exercise direct control over, the leased assets;

ii. Petrosea is prohibited to provide securities/collateral, including security deposit, or guarantee to other lessors over the leased assets; and

iii. For lease liability from MPMF, Petrosea is required to maintain certain financial ratios computed based on Petrosea's consolidated financial statements.

30. UTANG OBLIGASI / 30. BONDS PAYABLE

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Senior Notes III, tahun 2011	171.427.000	171.427.000	Senior Notes III, year 2011
Senior Notes IV, tahun 2013	500.000.000	500.000.000	Senior Notes IV, year 2013
Biaya emisi obligasi yang belum diamortisasi	(16.468.444)	(22.311.894)	Unamortized bond issuance costs
Bunga yang masih harus dibayar - jangka pendek	15.715.599	15.765.900	Accrued interest - current
Bersih	670.674.155	664.881.006	Net
Disajikan di laporan posisi keuangan konsolidasian sebagai:			Presented in consolidated statements of financial position as:
Liabilitas jangka pendek	15.715.599	15.765.900	Current liabilities
Liabilitas jangka panjang	654.958.556	649.115.106	Noncurrent liabilites
Jumlah	670.674.155	664.881.006	Total

Senior Notes III, US$ 300 Juta

Pada tanggal 5 Mei 2011, IEF BV, entitas anak yang secara langsung dan sepenuhnya dimiliki oleh Perusahaan, menerbitkan *"Senior Notes III"* ("Obligasi III") sejumlah US$ 115 juta yang akan jatuh tempo pada bulan Mei 2018. Obligasi III diterbitkan bersamaan dengan penukaran Obligasi I tahun penerbitan 2007 senilai US$ 185 juta. Obligasi III tersebut dikenakan bunga 7% per tahun, terutang setiap tahun pada tanggal 5 Mei dan 5 Nopember, dimulai pada tanggal 5 Nopember 2011. Obligasi III ini tercatat di *Singapore Stock Exchange*. Sehubungan dengan penerbitan Obligasi III ini, Citicorp International Limited bertindak sebagai *"Trustee"* sedangkan Perusahaan dan IIC, TPE, TPEC dan TS menjadi pihak penjamin.

Obligasi III ini dijamin dengan hak prioritas pertama dengan jaminan sebagai berikut:

- Gadai atas penyertaan saham Perusahaan di Tripatra Group, TPEC, IEF BV, IEC BV dan IIC (Catatan 1c) dan penyertaan saham IIC di PT Kideco Jaya Agung (Catatan 13). Jaminan ini dibagi secara *pari passu* dengan Obligasi IV;
- Hak atas Indika *Proceeds Account,* atas nama ICRL, di Citibank, N.A., New York sebesar US$ 50.000.000 sejak tanggal penerbitan Obligasi III. Pada bulan Pebruari 2012, Perusahaan telah menarik seluruh jaminan dan menggunakan dana tersebut untuk akuisisi aset terkait dengan energi pada entitas anak yaitu IIR, sesuai dengan ketentuan dalam perjanjian Wali Amanat; dan
- Jaminan hak IEC BV atas pinjaman antar-perusahaan *(Intercompany Loans)*. Pada tanggal pelaporan, seluruh pinjaman antar-perusahaan telah dieliminasi untuk tujuan penyajian laporan keuangan konsolidasian.

Senior Notes III, US$ 300 Million

On May 5, 2011, IEF BV, a direct wholly owned subsidiary of the Company, issued Senior Notes III ("Notes III") amounting to US$ 115 million due in May 2018. The Notes III were issued together with the US$ 185 million related to Exchange Offer Senior Notes I issued in 2007. The Notes III bear interest at 7% per annum, payable semi-annually on May 5 and November 5 of each year, commencing on November 5, 2011. The Notes III are listed on the Singapore Stock Exchange. In relation to the issuance of the Notes III, Citicorp International Limited acted as trustee, while the Company and IIC, TPE, TPEC and TS as acted guarantors.

The Notes III are secured on a first priority basis by a lien on the following collaterals:

- Pledges of the Company's investments in shares of stock of Tripatra Group, TPEC, IEF BV, IEC BV and IIC (Note 1c) and IIC's investment in shares of stock of PT Kideco Jaya Agung (Note 13). These collaterals are shared *pari passu* amongst Notes IV;
- A security interest in the Indika Proceeds Accounts, in the name of ICRL, held at Citibank, N.A., New York amounting US$ 50,000,000 since the issuance of Notes III. On February 2012, the Company had drawdown the collateral funds and use the proceeds for acquisitions of energy-related assets of one of the Company's subsidiaries, IIR, which was specified in the indenture agreement; and
- A security interest in IEC BV's right under the Intercompany Loans. As of reporting dates, all the Intercompany Loans are fully eliminated for consolidation purposes.

IEF BV mempunyai hak opsi untuk menarik seluruh atau sebagian Obligasi III tersebut. Selama periode sebelum tanggal 5 Mei 2014, IEF BV mempunyai hak opsi untuk menarik sampai dengan 35% dari Obligasi III dengan dana dari hasil satu atau lebih penawaran saham, dengan harga sebesar 107%. Setiap saat sebelum tanggal 5 Mei 2015, IEF BV mempunyai hak opsi untuk menarik seluruh, tetapi tidak sebagian, Obligasi III pada harga 100% ditambah dengan premium yang telah ditentukan dalam perjanjian obligasi. Pada tanggal 5 Mei 2015 atau setiap saat setelah tanggal tersebut, IEF BV mempunyai hak opsi untuk menarik sebagian atau seluruh Obligasi III dengan harga yang telah ditentukan dalam perjanjian obligasi. Obligasi III tersebut dapat sewaktu-waktu ditarik seluruhnya pada nilai pokok melalui hak opsi dari IEF BV, dalam hal terdapat peristiwa atau perubahan yang mempengaruhi hubungan perpajakan antara Indonesia dan Belanda.

IEF BV will be entitled at its option to redeem all or any portion of the Notes III. At any time prior to May 5, 2014, IEF BV will be entitled at its option to redeem up to 35% of the Notes III with the net proceeds of one or more equity offerings at a redemption price of 107%. At any time prior to May 5, 2015, IEF BV will be entitled at its option to redeem the Notes III, in whole but not in part, at a redemption price equal to 100% plus the applicable premium as further determined in the Notes III indenture. At any time on or after May 5, 2015, IEF BV may redeem in whole or in part of the Notes III at a redemption price specifically described in the Notes III indenture. The Notes III are subject to redemption in whole at their principal amount at the option of the IEF BV at any time in the event of certain changes affecting taxation between Indonesia and Netherlands.

Sehubungan dengan obligasi tersebut, Perusahaan dan beberapa entitas anak tertentu dibatasi untuk, diantaranya, melakukan hal-hal berikut:

- Memperoleh pinjaman tambahan dan menerbitkan saham preferen;
- Membagikan dividen atau membeli atau menebus modal saham;
- Berinvestasi atau melakukan pembayaran atas sesuatu yang termasuk dalam "Pembatasan Pembayaran";
- Menerbitkan atau menjual saham dari entitas anak yang telah dibatasi;
- Menjamin utang;
- Menjual aset;
- Menciptakan hak gadai;
- Melakukan transaksi penjualan dan sewa kembali;
- Melakukan perjanjian yang membatasi kemampuan entitas anak untuk membayar dividen dan memindahkan aset atau menerbitkan pinjaman "antar perusahaan";
- Melakukan transaksi dengan pemegang saham atau pihak berelasi;
- Melakukan konsolidasi atau merger; atau
- Melakukan aktivitas di bidang usaha lain.

In relation to the Notes III, the Company and certain subsidiaries are restricted to, among others, perform the following:

- Incur additional indebtedness and issue preferred stock;
- Declare dividends on capital stock or purchase or redeem capital stock;
- Make investments or other specified "Restricted Payments";
- Issue or sell capital stock of restricted subsidiaries;
- Guarantee indebtedness;
- Sell assets;
- Create any lien;
- Enter into sale and leaseback transactions;
- Enter into agreements that restrict the restricted subsidiaries' ability to pay dividends and transfer assets or make inter-issuer loans;
- Enter into transactions with equity holders or affiliates;
- Effect a consolidation or merger; or
- Engage in different business activities.

Persyaratan-persyaratan tersebut, termasuk pembatasan yang disebutkan diatas, tergantung pada kualifikasi dan pengecualian tertentu, seperti yang disebutkan dalam perjanjian Wali Amanat Obligasi III.

These covenants, including the above restrictions, are subject to a number of important qualifications and exceptions as described in the Notes III Indenture.

Dana yang diperoleh dari penerbitan Obligasi III ini digunakan untuk (i) penebusan, pembelian kembali atau pembayaran kembali sebesar US$ 65 juta dari Obligasi I tahun penerbitan 2007 (ii) pembayaran untuk pertukaran dan *consent holder* Obligasi I sebagai *premium* dan *consent fee*; (iii) mendanai pengeluaran modal yang termasuk rencana ekspansi Petrosea, entitas anak, untuk mendukung aktivitas produksi; (iv) investasi di aktivitas eksplorasi batubara dan (v) modal kerja dan untuk tujuan umum korporasi.

Proceeds from guaranteed Notes III issued were used for (i) redemption, repurchase or other repayment of US$ 65 million Notes I issued in 2007 (ii) payment of amount to exchange and consent holders of Senior Notes I as premium and consent fee; (iii) funding capital expenditures needed, including plan of expansion from Petrosea, subsidiary, to support production activities; (iv) investment in coal exploration activities and (v) working capital and other general corporate purposes.

Pada tanggal 31 Desember 2016, obligasi III ini memperoleh peringkat "Caa1" dengan outlook negatif dari Moody's dan "CCC" dengan outlook negatif dari Fitch.

As of December 31, 2016, the Notes III have been assigned a rating of "Caa1" with negative outlook by Moody's and "CCC" with negative outlook by Fitch.

Pada tanggal 22 Desember 2015, IEF BV menyelesaikan *tender offer* untuk melakukan pembelian kembali secara tunai sebesar US$ 128.573.000 dari jumlah pokok utang obligasi sebesar US$ 300.000.000 dengan tingkat bunga 7,00% yang akan jatuh tempo pada tahun 2018.

On December 22, 2015, IEF BV completed a tender offer to repurchase for cash of US$ 128,573,000 in principal amount of its outstanding US$ 300,000,000, bearing interest at 7.00% Senior Notes due in 2018.

Pada tanggal 24 Desember 2015, IEF BV melunasi sebagian utang Obligasi III dengan nilai nominal US$ 128.573.000. IEF BV membayar sebesar US$ 77.143.800 termasuk premium. Keuntungan yang diakui pada bagian laba rugi sebesar US$ 46.836.889 (Catatan 40) setelah dikurangi dengan biaya penerbitan utang yang belum diamortisasi dan biaya transaksi sebesar US$ 4.592.311.

On December 24, 2015, IEF BV partially settled its Senior Notes III with nominal value of US$ 128,573,000. IEF BV paid for a total amount of US$ 77,143,800 including premium. The gain recognized in profit or loss amounted to US$ 46,836,889 (Note 40) after deducting unamortized bond issue costs and transaction cost amounting to US$ 4,592,311.

Senior Notes IV, US$ 500 Juta

Pada tanggal 24 Januari 2013, IEF II BV, entitas anak yang secara langsung sepenuhnya dimiliki oleh Perusahaan, menerbitkan *Senior Notes IV* ("Obligasi IV") sebesar US$ 500 juta, jatuh tempo Januari 2023, dengan tingkat bunga 6,375% per tahun, terutang setiap enam bulan, dibayar setiap tanggal 24 Januari dan 24 Juli setiap tahun, dimulai pada tanggal 24 Juli 2013. Obligasi IV tercatat di *Singapore Stock Exchange*. Sehubungan dengan penerbitan Obligasi IV, Citicorp International Limited bertindak sebagai Wali Amanat, sedangkan Perusahaan, IIC, TPE, TPEC dan TS menjadi pihak Penjamin.

Senior Notes IV, US$ 500 Million

On January 24, 2013, IEF II BV, a direct wholly owned subsidiary of the Company, issued Senior Notes IV ("Notes IV") amounting to US$ 500 million due in January 2023, bearing interest at 6.375% per annum, payable semi-annually on January 24 and July 24 of each year, commencing on July 24, 2013. The Notes IV are listed on the Singapore Stock Exchange. In relation to the issuance of the Notes IV, Citicorp International Limited acted as Trustee, while the Company and IIC, TPE, TPEC and TS acted as Guarantors.

Obligasi IV ini dijamin dengan hak prioritas pertama dengan jaminan sebagai berikut :

The Notes IV are secured on a first priority basis by a lien on the following collaterals:

- Gadai atas penyertaan saham Perusahaan di TPE, TPEC, IEF BV II, IEC BV II dan IIC (Catatan 1c) dan penyertaan saham IIC di PT Kideco Jaya Agung (Catatan 13) dan penyertaan saham TPEC di TS. Jaminan ini dibagi secara *pari passu* dengan Obligasi III dan IV.

- Pledges of the Company's investments in shares of stock of TPE, TPEC, IEF BV II, IEC BV II and IIC (Note 1c) and IIC's investment in shares of stock of PT Kideco Jaya Agung (Note 13) and TPEC's investment in shares of stock of TS. These collaterals are shared *pari passu* amongst Notes III and IV.

- Jaminan hak atas penyertaan di IEC BV II atas pinjaman antar entitas *(Intercompany Loans)*. Pada tanggal pelaporan, seluruh pinjaman antar entitas telah dieliminasi untuk tujuan penyajian laporan keuangan konsolidasian.

- A security interest in IEC BV II's right under the Intercompany Loans. As of reporting dates, all the intercompany loans are fully eliminated for consolidation purposes.

IEF BV II mempunyai hak opsi untuk menarik seluruh atau sebagian Obligasi IV tersebut. Selama periode sebelum tanggal 24 Januari 2017, IEF BV II mempunyai hak opsi untuk menarik sampai dengan 35% dari Obligasi IV dengan dana dari hasil satu atau lebih penawaran saham, dengan harga sebesar 106,375%. Setiap saat sebelum tanggal 24 Januari 2018, IEF BV II mempunyai hak opsi untuk menarik seluruh Obligasi IV pada harga 100% ditambah dengan premium yang telah ditentukan dalam perjanjian obligasi. Pada tanggal 24 Januari 2018 atau setiap saat setelah tanggal tersebut, IEF BV II mempunyai hak opsi untuk menarik sebagian atau seluruh Obligasi IV dengan harga yang telah ditentukan dalam perjanjian obligasi. Obligasi IV tersebut dapat sewaktu-waktu ditarik seluruhnya pada nilai pokok melalui hak opsi dari IEF BV II, dalam hal terdapat peristiwa atau perubahan yang mempengaruhi hubungan perpajakan antara Indonesia dan Belanda.

IEF BV II will be entitled at its option to redeem all or any portion of the Notes IV. At any time prior to January 24, 2017, IEF BV II will be entitled at its option to redeem up to 35% of the Notes IV with the net proceeds of one or more equity offerings at a redemption price of 106.375%. At any time prior to January 24, 2018, IEF BV II will be entitled at its option to redeem the Notes IV, in whole but not in part, at a redemption price equal to 100% plus the applicable premium as further determined in the Notes IV indenture. At any time on or after January 24, 2018, IEF BV II may redeem in whole or in part of the Notes IV at a redemption price specifically described in the Notes IV indenture. The Notes IV are subject to redemption in whole at their principal amount at the option of the IEF BV II at any time in the event of certain changes affecting taxation between Indonesia and Netherlands.

Sehubungan dengan obligasi IV tersebut, Perusahaan dan beberapa entitas anak tertentu dibatasi untuk, diantaranya, melakukan hal-hal berikut:

In relation to the Notes IV, the Company and certain subsidiaries are restricted to, among others, perform the following:

- Memperoleh pinjaman tambahan dan menerbitkan saham preferen;
- Membagikan dividen atau membeli atau menebus modal saham;
- Berinvestasi atau melakukan pembayaran atas sesuatu yang termasuk dalam "Pembatasan Pembayaran";
- Menerbitkan atau menjual saham dari entitas anak yang telah dibatasi;
- Menjamin utang;
- Menjual aset;
- Menciptakan hak gadai;
- Melakukan transaksi penjualan dan sewa kembali;
- Melakukan perjanjian yang membatasi kemampuan entitas anak untuk membayar dividen dan memindahkan aset atau menerbitkan pinjaman "antar perusahaan";
- Melakukan transaksi dengan pemegang saham atau pihak berelasi;
- Melakukan konsolidasi atau merger; atau
- Melakukan aktivitas di bidang usaha lain.

- Incur additional indebtedness and issue preferred stock;
- Declare dividends on capital stock or purchase or redeem capital stock;
- Make investments or other specified "Restricted Payments";
- Issue or sell capital stock of restricted subsidiaries;
- Guarantee indebtedness;
- Sell assets;
- Create any lien;
- Enter into sale and leaseback transactions;
- Enter into agreements that restrict the restricted subsidiaries' ability to pay dividends and transfer assets or make inter-issuer loans;
- Enter into transactions with equity holders or affiliates;
- Effect a consolidation or merger; or
- Engage in different business activities.

Persyaratan-persyaratan tersebut, termasuk pembatasan yang disebutkan diatas, tergantung pada kualifikasi dan pengecualian tertentu, seperti yang tercantum di dalam perjanjian Wali Amanat Obligasi IV.

These covenants, including the above restrictions, are subject to a number of important qualifications and exceptions as described in the Notes IV Indenture.

Dana yang diperoleh dari penerbitan Obligasi IV ini digunakan untuk (i) pembayaran utang bank dari Citibank,N.A., UBS AG cabang Singapura, Standard Chartered Bank cabang Jakarta dan Bank Mandiri (Persero) Tbk, sejumlah US$ 235 juta; (ii) penebusan kembali Obligasi II sebesar nilai pokok US$ 230 juta berikut bunga terutang dan belum dibayar beserta dengan harga penarikan yang relevan, sesuai opsi penarikan yang tercantum di perjanjian Wali Amanat Obligasi II; dan (iii) pembayaran utang lainnya, modal kerja dan untuk tujuan umum korporasi.

Proceeds from guaranteed Notes IV issued were used for (i) repayment of bank loans from Citibank, N.A., UBS AG Singapore branch, Standard Chartered Bank, Jakarta branch and Bank Mandiri (Persero) Tbk, totaling to US$ 235 million; (ii) redemptions of Senior Notes II in aggregate principal amount of US$ 230 million together with accrued and unpaid interest thereon and the relevant redemption price, pursuant to the optional redemption feature stated in Indenture of Senior Notes II; and (iii) repayment of other existing indebtedness, working capital and other general corporate purposes.

Pada tangga 31 Desember 2016, obligasi IV ini memperoleh peringkat "Caa1" dengan outlook negatif dari Moody's dan "CCC" dengan outlook negatif dari Fitch.

As of December 31, 2016, the Notes IV have been assigned a rating of "Caa1" with negative outlook from Moody's and "CCC" with negative outlook by Fitch.

Pada tanggal 31 Desember 2016 dan 2015, manajemen berpendapat bahwa Perusahaan dan entitas anak telah memenuhi semua persyaratan penting yang diwajibkan oleh para pemegang Obligasi tersebut di atas.

As of December 31, 2016 and 2015, management believes that the Company and its subsidiaries have complied with all significant covenants required by the bond holders of the above Notes.

Beban bunga atas utang obligasi untuk tahun 2016 dan 2015 masing-masing sebesar US$ 43.874.590 dan US$ 52.700.298 (Catatan 39).

The interest expense incurred for the bonds payable in 2016 and 2015 amounted to US$ 43,874,590 and US$ 52,700,298, respectively (Note 39).

31. IMBALAN PASCA KERJA / 31. EMPLOYMENT BENEFITS

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Imbalan pasca kerja	24.787.320	22.276.090	Post-employment benefits
Cuti berimbalan jangka panjang	2.574.451	2.529.214	Long service leave
Jumlah	27.361.771	24.805.304	Total

Perusahaan dan entitas anak memberikan imbalan pasca kerja untuk karyawannya sesuai dengan Undang-undang Ketenagakerjaan No. 13/2003. Jumlah karyawan yang berhak atas imbalan pasca kerja tersebut sebanyak 2.674 orang pada tahun 2016 dan 3.027 orang pada tahun 2015.

The Company and its subsidiaries provide post-employment benefits for qualifying employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits is 2,674 in 2016 and 3,027 in 2015.

Program pensiun imbalan pasti memberikan eksposur Perusahaan dan entitas anak terhadap risiko aktuarial seperti risiko tingkat bunga dan risiko gaji.

The defined benefit pension plan typically exposes the Company and its subsidiaries to actuarial risks such as: interest rate risk and salary risk.

Risiko Tingkat Bunga

Penurunan suku bunga obligasi akan meningkatkan liabilitas program.

Interest Risk

A decrease in the bond interest rate will increase the plan liability.

Risiko Gaji

Nilai kini kewajiban imbalan pasti dihitung dengan mengacu pada gaji masa depan peserta program. Dengan demikian, kenaikan gaji peserta program akan meningkatkan liabilitas program itu.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Beban imbalan pasca kerja yang diakui dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah:

Amounts recognized as expense in the consolidated statements of profit or loss and other comprehensive income in respect of these post-employment benefits are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Biaya jasa kini	3.651.060	4.261.574	Current service cost
Biaya bunga	1.544.419	1.619.440	Interest cost
Biaya jasa lalu	1.584.366	(1.378.781)	Past service cost
Kelebihan pembayaran masa manfaat	6.240.734	1.313.031	Benefits paid in period excess payment
Penyesuaian manfaat pasti	186.066	(166.876)	Immediate adjustment of defined benefits
Pengaruh kurtailmen	(3.027.253)	-	Curtailment effect
Jumlah	10.179.391	5.648.388	Total
Pengukuran kembali liabilitas imbalan pasca kerja:			Remeasurement on the net defined benefit liability:
(Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi demografik dan keuangan	1.322.312	(1.641.844)	Actuarial (gains) losses arising from changes in demographic and financial assumptions
Keuntungan aktuarial yang timbul dari perubahan asumsi penyesuaian	(1.344.084)	(632.219)	Actuarial gains arising from changes in experience adjustments
Komponen imbalan pasti yang diakui dalam penghasilan komprehensif lain	(21.772)	(2.274.063)	Components of defined benefit costs recognized in other comprehensive income
Jumlah	10.157.619	3.374.325	Total

Jumlah liabilitas imbalan pasca kerja yang diakui di laporan posisi keuangan konsolidasian yang timbul dari kewajiban Perusahaan dan entitas anak sehubungan dengan imbalan pasca kerja dan perubahannya adalah sebagai berikut:

The amounts recognized in the consolidated statements of financial position arising from the Company and its subsidiaries' obligations with respect to these post-employment benefits and their movements are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Saldo awal nilai kini liabilitas tidak didanai	22.276.090	23.206.748	Opening balance of present value of unfunded obligations
Biaya jasa kini	3.651.060	4.261.574	Current service cost
Biaya bunga	1.544.419	1.619.440	Interest cost
Pengukuran kembali liabilitas imbalan pasca kerja:			Remeasurement on the net defined benefit liability:
(Keuntungan)/kerugian aktuarial yang timbul dari perubahan asumsi demografik dan keuangan	1.322.312	(1.073.328)	Actuarial (gains) losses arising from changes in demographic and financial assumptions
Keuntungan aktuarial yang timbul dari perubahan asumsi penyesuaian	(1.344.084)	(632.219)	Actuarial gains arising from changes in experience adjustments
Penyesuaian langsung imbalan pasti	186.066	(166.876)	Immediate adjustment of defined benefits
Perkiraan pembayaran manfaat	(1.085.263)	(654.192)	Expected benefits paid
Biaya jasa lalu	1.584.366	(1.378.781)	Past service cost
Efek kurtailmen	(3.027.253)	-	Curtailment effect
Keuntungan (kerugian) selisih kurs	(320.393)	(2.906.276)	Gain (loss) in foreign exchange
Saldo akhir nilai kini liabilitas tidak didanai	24.787.320	22.276.090	Closing balance of present value of unfunded obligations

Perhitungan imbalan pasca kerja dilakukan oleh aktuaris independen. Penilaian aktuaria menggunakan metode *projected unit credit* dan menggunakan asumsi utama sebagai berikut:

The cost of providing post-employment benefits is calculated by independent actuaries. The actuarial valuation was carried out using the projected unit credit method and using the following key assumptions:

	31 Desember/*December 31,* 2016	31 Desember/*December 31,* 2015	
Tingkat diskonto	8,00% - 9%	8,25% - 9%	Discount rate
Tingkat kenaikan gaji	8% - 10%	8% - 10%	Salary increment rate
Tingkat kematian	100% TMI3/CSO' 80	100% TMI3/CSO' 80	Mortality rate
Tingkat ketidak mampuan	5% TMI3/10% CSO' 80	5% TMI3/10% CSO' 80	Disability rate
Tingkat pengunduran diri	3% - 12% per tahun sampai dengan usia 25 -30 tahun, menurun menjadi 0% pada usia 54-55 tahun/ *3% - 12% per annum until age 25 -30 years then decreasing linearly to 0% at 54-55 years*	3% - 12% per tahun sampai dengan usia 25 -30 tahun, menurun menjadi 0% pada usia 54-55 tahun/ *3% - 12% per annum until age 25 -30 years then decreasing linearly to 0% at 54-55 years*	Resignation rate
Usia pensiun normal	55	55	Normal retirement age

Penyesuaian atas pengalaman tahun ini dan empat tahun terakhir adalah sebagai berikut:

Historical experience adjustment for the current and the previous four years are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2014	31 Desember/ *December 31,* 2013	31 Desember/ *December 31,* 2012	
	US$	US$	US$	US$	US$	
Nilai kini liabilitas tidak didanai	24.787.320	22.276.090	23.206.748	19.017.633	24.063.920	Present value of unfunded obligations
Nilai atas penyesuaian pengalaman	1.344.084	632.219	962.066	642.127	404.274	Value of experience adjustment
Persentase penyesuaian pengalaman terhadap nilai kini liabilitas tidak didanai	5,42%	2,84%	4,15%	3,38%	1,68%	Percentage of experience adjustment to present value of unfunded obligations

Asumsi aktuarial yang signifikan dalam penentuan liabilitas imbalan pasca kerja adalah tingkat diskonto dan tingkat kenaikan gaji yang diharapkan. Analisa sensitivitas dibawah ini ditentukan berdasarkan kemungkinan perubahan atas asumsi tersebut pada akhir periode pelaporan, sementara asumsi lainnya dianggap konstan.

- Jika tingkat diskonto 1% lebih tinggi, liabilitas imbalan kerja akan turun sebesar US$ 1,14 juta sedangkan penurunan 1% pada tingkat diskonto akan menyebabkan kenaikan liabilitas imbalan kerja sebesar US$ 1,07 juta.

- Jika tingkat kenaikan gaji yang diharapkan 1% lebih tinggi, liabilitas imbalan kerja akan meningkat sebesar US$ 1,23 juta sedangkan penurunan 1% pada tingkat kenaikan gaji yang diharapkan akan menyebabkan turunnya liabilitas imbalan kerja sebesar US$ 1,09 juta.

Analisa sensitivitas yang disajikan diatas tidak mewakili perubahan sebenarnya dari liabilitas imbalan pasca kerja karena besar kemungkinan bahwa perubahan asumsi tidak saling berdiri sendiri, melainkan beberapa asumsi saling terkait erat.

Significant actuarial assumptions for the determination of post-employment benefits obligation are discount rate and expected salary increase rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher, the post-employment benefits obligation would decrease by US$ 1.14 million, while decrease by 1% in the discount rate would increase the post-employment benefit obligation by US$ 1.07 million.

- If the expected salary incremental rate is 1% higher, the post-employment benefits obligation would increase by US$ 1.23 million, while decrease by 1% in the salary incremental rate would decrease the post-employment benefit obligation by US$ 1.09 million.

The sensitivity analysis presented above may not be representative of the actual change in the post-employment benefits obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Lebih jauh lagi, dalam menyajikan analisa sensitivitas diatas, nilai kini liabilitas imbalan pasca kerja dihitung dengan menggunakan metode *projected unit credit* pada akhir periode pelaporan, sesuai dengan metode perhitungan yang digunakan dalam menentukan liabilitas imbalan pasca kerja pada laporan keuangan konsolidasian.

Liabilitas imbalan pasca kerja pada Perusahaan dan entitas anak tidak didanai, sehingga menyebabkan kewajiban pembayaran manfaat langsung pada saat terjadinya kewajiban pembayaran, dimana hal ini terkait erat dengan ketersediaan kas pada Perusahaan dan entitas anak. Bercermin pada kinerja Perusahaan dan entitas anak pada tahun 2016 serta turunnya industri batubara, Perusahaan dan entitas anak terus fokus pada peningkatan efisiensi operasional, penekanan biaya yang berlanjut, pengetatan belanja modal dan pencadangan dana. Perusahaan dan entitas anak juga akan mengelola risiko dengan berfokus pada pengelolaan arus kas yang efisien dan selanjutnya memperkokoh lini usaha nonbatubara.

Durasi rata-rata tertimbang dari liabilitas imbalan pasca kerja pada tanggal 31 Desember 2016 dan 2015 adalah masing-masing berkisar antara 7 sampai 15 tahun dan antara 9 sampai 17 tahun.

Furthermore, in presenting the above sensitivity analysis, the present value of the post-employment benefits obligation has been calculated using projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the post-employment benefits obligation recognized in the consolidated statement of financial position.

The post-employment benefits obligation in the Company and its subsidiaries is unfunded, causing benefit payments in the future when due, which is correlated with the cash availability in the Company and its subsidiaries. Reflecting on the performance in 2016 and the prolonged downturn of the coal industry, the Company and its subsidiaries continue to focus on achieving operational excellence as well as further cost reductions, tightened capital spending and cash preservation efforts. The Company and its subsidiaries will also concentrate on managing risk by focusing on efficient cash flow management and further strengthening the non-coal business holdings.

The average duration of the benefit obligation at December 31, 2016 and 2015 is ranging from 7 until 15 years and from 9 until 17 years, respectively.

32. MODAL SAHAM / 32. CAPITAL STOCK

Nama Pemegang Saham	31 Desember/*December 31,* 2016 Jumlah Saham/ *Number of Shares* (Nilai nominal Rp 100 per saham/ *Rp 100 par value per share)*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah Modal Disetor/*Total Paid-up Capital* US$	Name of Stockholders
PT Indika Mitra Energi	3.307.097.790	63,47%	36.111.513	PT Indika Mitra Energi
JP Morgan Chase Bank, NA	271.762.000	5,22%	2.967.477	JP Morgan Chase Bank, NA
Eddy Junaedy Danu	81.880.500	1,57%	894.086	Eddy Junaedy Danu
Agus Lasmono	10.156.000	0,20%	110.897	Agus Lasmono
M. Arsjad Rasjid P.M.	1.208.000	0,02%	13.191	M. Arsjad Rasjid P.M.
Azis Armand	1.208.000	0,02%	13.191	Azis Armand
Richard Bruce Ness	810.000	0,01%	8.845	Richard Bruce Ness
PT Indika Mitra Holdiko	10	0,00%	0,11	PT Indika Mitra Holdiko
Saham masyarakat (masing-masing dibawah 5%)	1.536.069.700	29,49%	16.772.954	Public shares (each below 5%)
Jumlah	5.210.192.000	100,00%	56.892.154	Total

Nama Pemegang Saham	31 Desember/*December 31,* 2015 Jumlah Saham/ *Number of Shares* (Nilai nominal Rp 100 per saham/ *Rp 100 par value per share)*	Persentase Kepemilikan/ *Percentage of Ownership*	Jumlah Modal Disetor/*Total Paid-up Capital* US$	Name of Stockholders
PT Indika Mitra Energi	3.307.097.790	63,47%	36.111.513	PT Indika Mitra Energi
JP Morgan Chase Bank, NA	271.762.000	5,22%	2.967.477	JP Morgan Chase Bank, NA
Ir. Pandri Prabono Moelyo	231.100.200	4,44%	2.523.475	Ir. Pandri Prabono Moelyo
Eddy Junaedy Danu	81.880.500	1,57%	894.086	Eddy Junaedy Danu
Agus Lasmono	10.156.000	0,20%	110.897	Agus Lasmono
Wiwoho Basuki Tjokronegoro	5.264.500	0,10%	57.485	Wiwoho Basuki Tjokronegoro
Indracahya Basuki	1.403.500	0,03%	15.325	Indracahya Basuki
Wishnu Wardhana	1.208.500	0,02%	13.196	Wishnu Wardhana
M. Arsjad Rasjid P.M.	1.208.000	0,02%	13.191	M. Arsjad Rasjid P.M.
Azis Armand	1.208.000	0,02%	13.191	Azis Armand
Richard Bruce Ness	810.000	0,01%	8.845	Richard Bruce Ness
Joseph Pangalila	165.000	0,00%	1.802	Joseph Pangalila
PT Indika Mitra Holdiko	10	0,00%	0,11	PT Indika Mitra Holdiko
Saham masyarakat (masing-masing dibawah 5%)	1.296.928.000	24,90%	14.161.671	Public shares (each below 5%)
Jumlah	5.210.192.000	100,00%	56.892.154	Total

33. TAMBAHAN MODAL DISETOR / 33. ADDITIONAL PAID-IN CAPITAL

	Agio saham/ *Paid-in capital in excess of par*	Biaya emisi saham/ *Share issuance cost*	Opsi saham karyawan/ *Employee stock option*	Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali/ *Difference in Value of Restructuring Transaction between Entitites Under Common Control*	*Modal disetor* lainnya/ *Other paid-in capital*	Jumlah/ *Total*	
	US$	US$	US$	US$	US$	US$	
Penerbitan 833.142.000 saham melalui Penawaran Umum Perdana saham Perusahaan pada tahun 2008	254.633.211	(15.745.526)	-	-	-	238.887.685	Issuance of 833,142,000 Company's shares through Initial Public Offering in 2008
Tambahan modal disetor pada tahun 2011 melalui pelaksanaan opsi saham karyawan dan manajemen	-	-	1.097.573	-	-	1.097.573	Additional paid-in capital in 2011 through exercise of employee and management stock options
Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali (SINTRES)	-	-	-	10.862.663	-	10.862.663	Difference in Value of Restructuring Transaction between Entities Under Common Control (SINTRES)
Saldo per 31 Desember 2015	254.633.211	(15.745.526)	1.097.573	10.862.663	-	250.847.921	Balance as of December 31, 2015
Modal disetor lainnya	-	-	-	-	2.226.985	2.226.985	Other paid-in capital
Saldo per 31 Desember 2016	254.633.211	(15.745.526)	1.097.573	10.862.663	2.226.985	253.074.906	Balance as of December 31, 2016

Pada tahun 2004, Perusahaan mengakuisisi 99,959% saham PT Indika Inti Corpindo (IIC). Transaksi ini merupakan transaksi antara entitas sepengendali, karena IIC mempunyai pemegang saham utama yang sama dengan Perusahaan dengan kepemilikan sebesar 99,959%. Selisih antara nilai perolehan dan nilai aset bersih yang diperoleh sebesar US$ 10.862.663 disajikan sebagai "Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali" sebagai bagian dari ekuitas.

In 2004, the Company acquired 99.959% shares of stock of PT Indika Inti Corpindo (IIC). The acquisition was a transaction with an entity under common control as IIC has the same majority stockholder as the Company with ownership interest of 99.959%. The difference between the acquisition cost and the net assets acquired amounting to US$ 10,862,663 was presented as "Difference in Value of Restructuring Transaction between Entities Under Common Control" under equity.

34. KEPENTINGAN NON-PENGENDALI DAN KOMPONEN EKUITAS LAINNYA

34. NON-CONTROLLING INTEREST AND OTHER COMPONENTS OF EQUITY

a. Kepentingan non-pengendali

a. Non-controlling interest

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Saldo awal tahun	179.526.239	220.166.107	Balance at beginning of year
Bagian rugi tahun berjalan	(36.636.644)	(32.259.150)	Share in losses of subsidaries for the year
Perubahan kepemilikan PEI	8.977.743	-	Change in ownership of PEI
Dividen	-	(8.380.718)	Dividend
Jumlah	151.867.338	179.526.239	Total

Ringkasan informasi keuangan pada masing-masing entitas anak yang memiliki kepentingan non-pengendali yang material ditetapkan di bawah ini. Ringkasan informasi keuangan di bawah ini merupakan jumlah sebelum eliminasi intra grup.

Summarized financial information in respect of each of the subsidiaries that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	MBSS		Petrosea		
	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Aset lancar	56.422.657	81.516.715	147.735.394	141.186.513	Current assets
Aset tidak lancar	204.097.950	226.266.963	245.689.176	284.180.587	Noncurrent assets
Jumlah Aset	260.520.607	307.783.678	393.424.570	425.367.100	Total Assets
Liabilitas jangka pendek	43.188.295	39.015.716	68.444.050	90.938.856	Current liabilities
Liabilitas jangka panjang	20.213.092	41.715.247	154.532.968	156.147.974	Noncurrent liabilities
Jumlah Liabilitas	63.401.387	80.730.963	222.977.018	247.086.830	Total Liabilities
Pendapatan	65.758.062	89.758.924	209.370.379	206.833.653	Revenue
Beban	(95.537.052)	(99.996.342)	(217.195.515)	(219.524.553)	Expenses
Rugi tahun berjalan	(29.778.990)	(10.237.418)	(7.825.136)	(12.690.900)	Loss for the year
Rugi yang dapat diatribusikan kepada:					Loss attributable to:
Pemilik entitas induk	(29.869.354)	(12.099.004)	(7.934.149)	(12.719.184)	Owners of the Company
Kepentingan non-pengendali	90.364	1.861.586	109.013	28.284	Non-controlling interests
Rugi tahun berjalan	(29.778.990)	(10.237.418)	(7.825.136)	(12.690.900)	Loss for the year
Laba (rugi) komprehensif lain yang dapat diatribusikan kepada:					Other comprehensive income (loss) attributable to:
Pemilik entitas induk	(157.053)	52.919	(3.701)	245.863	Owners of the Company
Kepentingan non-pengendali	3.308	1.907	-	-	Non-controlling interests
Jumlah laba (rugi) komprehensif tahun berjalan	(153.745)	54.826	(3.701)	245.863	Total comprehensive income (loss) for the year
Jumlah laba (rugi) komprehensif yang dapat diatribusikan kepada:					Total comprehensive income (loss) attributable to:
Pemilik entitas induk	(30.026.407)	(12.046.085)	(7.937.850)	(12.473.321)	Owners of the Company
Kepentingan non-pengendali	93.672	1.863.493	109.013	28.284	Non-controlling interests
Jumlah laba (rugi) komprehensif tahun berjalan	(29.932.735)	(10.182.592)	(7.828.837)	(12.445.037)	Total comprehensive income (loss) for the year
Dividen yang dibayarkan kepada kepentingan non-pengendali	-	7.891.478	-	489.486	Dividends paid to non-controlling interests
Kas masuk (keluar) bersih dari:					Net cash inflow (outflow) from:
Kegiatan operasi	20.905.627	30.406.315	53.756.540	45.987.000	Operating activities
Kegiatan investasi	(9.410.270)	(4.012.063)	(12.663.000)	(41.057.000)	Investing activities
Kegiatan pendanaan	(19.116.985)	(32.124.037)	(28.242.670)	(16.726.000)	Financing activities

b. Komponen ekuitas lainnya

i. Akumulasi selisih kurs penjabaran laporan keuangan

Selisih kurs yang berkaitan dengan penjabaran dari aset bersih dari entitas anak yang menggunakan mata uang fungsional selain mata uang penyajian Perusahaan dan entitas anak yaitu mata uang Dollar Amerika Serikat diakui langsung dalam pendapatan komprehensif lain dan diakumulasikan dalam selisih penjabaran atas laporan keuangan. Selisih kurs yang sebelumnya diakumulasi dalam selisih kurs penjabaran atas laporan keuangan, direklasifikasi ke laba rugi pada saat pelepasan entitas anak.

b. Other components of equity

i. Cummulative translation adjustments

Exchange differences relating to the translation of the net assets of the subsidiaries using different functional currency other than the Company and its subsidiaries' presentation currency (i.e. U.S. Dollar) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of those subsidiaries.

ii. Penghasilan komprehensif lainnya

ii. Other comprehensive income

	31 Desember/*December 31,* 2016			31 Desember/*December 31,* 2015			
	Jumlah sebelum pajak/*Amount before tax*	Manfaat (beban) pajak/*tax benefit (expense)*	Jumlah setelah pajak/*Amount after tax*	Jumlah sebelum pajak/*Amount before tax*	Manfaat (beban) pajak/*tax benefit (expense)*	Jumlah setelah pajak/*Amount after tax*	
	US$	US$	US$	US$	US$	US$	
Penghasilan komprehensif lain:							Other comprehensive income:
Pengukuran kembali atas liabilitas imbalan pasti	(21.772)	5.443	(16.329)	2.274.063	(568.516)	1.705.547	Remeasurement of defined benefits obligation
Selisih kurs karena penjabaran laporan keuangan	93.067	(23.267)	69.800	56.175	(14.044)	42.131	Cumulative translation adjustments
Bagian keuntungan (kerugian) yang belum direalisasi atas instrumen keuangan derivatif (cadangan lindung nilai) entitas asosiasi	2.147.881	(536.970)	1.610.911	1.443.597	(360.899)	1.082.698	Equity portion of unrealized gain (loss) on derivative financial instruments (hedging reserve) of an associate
Penghasilan komprehensif lain periode berjalan	2.219.176	(554.794)	1.664.382	3.773.835	(943.459)	2.830.376	Other comprehensive income for the period

35. PENDAPATAN / 35. REVENUES

	2016 US$	2015 US$	
PT Freeport Indonesia	120.300.047	68.720.796	PT Freeport Indonesia
Eni Muara Bakau B.V. - Eni Group	101.171.325	95.339.872	Eni Muara Bakau B.V. - Eni Group
Exxon Mobil Cepu Ltd.	63.330.612	211.670.991	Exxon Mobil Cepu Ltd.
PT Kideco Jaya Agung	59.227.890	98.268.223	PT Kideco Jaya Agung
PT Indonesia Pratama	22.009.000	25.721.907	PT Indonesia Pratama
PT Indoasia Cemerlang	18.183.573	-	PT Indoasia Cemerlang
PT Binuang Mitra Bersama	16.650.616	-	PT Binuang Mitra Bersama
STC Joint Operation	15.898.115	42.165.467	STC Joint Operation
JOB Pertamina Medco Tomori Sulawesi	14.435.369	97.149.459	JOB Pertamina Medco Tomori Sulawesi
PT Adaro Indonesia	13.724.323	14.918.640	PT Adaro Indonesia
BP Berau Ltd.	12.735.502	11.149.843	BP Berau Ltd.
PT Maruwai Coal	8.389.918	6.665.624	PT Maruwai Coal
PT Berau Coal Tbk	8.042.182	14.716.660	PT Berau Coal Tbk
PT Cotrans Asia	7.158.344	10.316.368	PT Cotrans Asia
CSTS Joint Operation	7.001.703	5.593.194	CSTS Joint Operation
PT Adimitra Baratama Nusantara	-	38.876.192	PT Adimitra Baratama Nusantara
PT Indonesia Bulk Terminal	-	7.999.778	PT Indonesia Bulk Terminal
BUT Conoco Phillips Indonesia Inc. Ltd.	-	6.601.029	BUT Conoco Phillips Indonesia Inc. Ltd.
PT Metalindo Bumi Raya	-	6.036.573	PT Metalindo Bumi Raya
Eni Bukat	-	5.321.705	Eni Bukat
Mi Swaco Indonesia	-	5.290.127	Mi Swaco Indonesia
Lain-lain (masing - masing dibawah US US$ 5 juta)	70.240.702	61.419.491	Others (each below US$ 5 million)
Jumlah	558.499.221	833.941.939	Total
Penjualan batubara			Sales of coal
Pelanggan luar negeri	216.733.710	263.354.550	Foreign customers
Jumlah	775.232.931	1.097.296.489	Total

11,51% dan 14,27% dari jumlah pendapatan masing-masing pada tahun 2016 dan 2015 dilakukan dengan pihak berelasi (Catatan 49).

11.51% in 2016 and 14.27% in 2015 of the above total revenues were made to related parties (Note 49).

Rincian pelanggan pihak ketiga dengan transaksi lebih dari 10% dari jumlah pendapatan konsolidasian masing-masing pada tahun-tahun yang berakhir 31 Desember 2016 dan 2015 adalah sebagai berikut:

In 2016 and 2015, revenues to the following third party customers represented more than 10% of the total consolidated revenues of the respective years as follows:

	2016 US$	2015 US$	
PT Freeport	120.300.047	68.720.796	PT Freeport
Eni Muara Bakau B.V. - Eni Group	101.171.325	95.339.872	Eni Muara Bakau B.V. - Eni Group
Exxon Mobil Cepu Ltd.	63.330.612	211.670.991	Exxon Mobil Cepu Ltd.
Jumlah	284.801.984	375.731.659	Total

Rincian diatas merupakan pelanggan dari Petrosea dan TPEC segmen jasa energi dan KPI untuk segmen energi infrastruktur.

All of the above are customers of Petrosea and TPEC for energy services and KPI for energy infrastructure segment.

36. BEBAN POKOK KONTRAK DAN PENJUALAN / 36. COST OF CONTRACTS AND GOODS SOLD

	2016 US$	2015 US$	
Bahan baku	229.638.420	341.970.154	Materials
Gaji, upah dan tunjangan karyawan	117.590.467	136.550.448	Salaries, wages and employee benefits
Sub-kontraktor, instalasi, perlengkapan, beban komunikasi dan beban usaha langsung lainnya	113.003.308	233.253.887	Sub-contractors, installations, supplies, communication and other direct costs
Penyusutan (Catatan 20)	74.250.507	75.711.370	Depreciation (Note 20)
Biaya pemakaian barang	40.954.690	35.229.535	Consumables
Sewa, perbaikan dan pemeliharaan	32.766.384	58.978.992	Rental, repairs and utilities
Bahan bakar	25.683.968	49.830.069	Fuel
Jasa professional	8.429.154	5.864.854	Professional fees
Biaya perjalanan dan transportasi	6.596.852	13.632.661	Travel and transportation
Jasa katering	3.761.173	8.396.542	Catering services
Bongkar muat	2.699.139	8.938.302	Handling
Lain-lain (masing-masing dibawah US$ 6 juta)	31.157.044	40.610.043	Others (each below US$ 6 million)
Jumlah	686.531.106	1.008.966.857	Total

Pada tahun 2016 dan 2015, pembelian batubara dari Dynamic Dragon Group International Trading Limited, pihak ketiga pada tahun 2016 dan 2015 adalah sebesar 23,20% dan 11,75% dari jumlah beban pokok kontrak dan penjualan.

In 2016 and 2015, purchase of coal from Dynamic Dragon Group International Trading Limited, a third party, accounts for 23.20% and 11.75% of the total cost of contracts and goods sold, respectively.

37. BEBAN PENJUALAN, UMUM DAN ADMINISTRASI / 37. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2016 US$	2015 US$	
Gaji, upah, dan tunjangan karyawan	61.868.592	55.306.797	Salaries, wages, and employee benefits
Penyusutan (Catatan 20)	7.988.470	11.800.057	Depreciation (Note 20)
Amortisasi (Catatan 16 dan 22)	4.371.002	4.500.169	Amortization (Notes 16 and 22)
Jasa profesional	4.126.196	6.245.464	Professional fees
Sewa	3.822.284	5.288.049	Rental
Perjalanan dan transportasi	1.723.035	2.157.636	Travel and transportaion
Beban pemasaran	1.536.546	6.034.766	Marketing expenses
Lain-lain (masing-masing dibawah US$ 2 juta)	13.381.882	12.420.019	Others (each below US$ 2 million)
Jumlah	98.818.007	103.752.957	Total

38. PENDAPATAN INVESTASI / 38. INVESTMENT INCOME

	2016 US$	2015 US$	
Penghasilan bunga			Interest income
Piutang pihak berelasi (Catatan 49)	2.037.546	6.581.815	Loans to related parties (Note 49)
Deposito berjangka	1.117.977	2.102.087	Time deposits
Jasa giro dan lain-lain	1.116.912	1.634.542	Current and other bank accounts
Jumlah penghasilan bunga	4.272.435	10.318.444	Total interest income
Keuntungan yang terealisasi pada perubahan nilai wajar atas investasi pada portofolio (Catatan 6)	937.115	-	Realized gain on fair value changes on investment in portfolio (Note 6)
Kerugian yang belum terealisasi pada perubahan nilai wajar atas investasi pada portofolio (Catatan 6)	(100.574)	(506.942)	Unrealized loss on fair value changes on investment in portfolio (Note 6)
Jumlah	5.108.976	9.811.502	Total

39. BEBAN KEUANGAN / 39. FINANCE COST

	2016 US$	2015 US$	
Utang obligasi (Catatan 30)	43.874.590	52.700.298	Bonds payable (Note 30)
Utang bank dan pinjaman jangka panjang (Catatan 24 dan 28)	7.654.978	9.932.198	Bank loans and long-term loans (Notes 24 and 28)
Amortisasi biaya emisi obligasi (Catatan 30)	5.843.450	6.353.221	Amortization of bonds issuance cost (Note 30)
Liabilitas sewa pembiayaan (Catatan 29)	749.896	1.549.246	Lease liabilities (Note 29)
Lain-lain (masing-masing dibawah US$ 2 juta)	2.302.747	929.485	Others (each below US$ 2 million)
Jumlah	60.425.661	71.464.448	Total

40. LAIN-LAIN - BERSIH / 40. OTHERS - NET

	2016 US$	2015 US$	
Pembalikan penurunan nilai di MBSS (Catatan 20)	2.799.652	-	Reversal of impairment in MBSS (Note 20)
Pajak dan denda (Catatan 11 dan 14)	(26.785.397)	(5.804.285)	Taxes and dues (Notes 11 and 14)
Keuntungan (kerugian) dari penjualan aset tetap - bersih (Catatan 20)	(8.801.919)	(4.450.702)	Gain (loss) on sale of property, plant and equipment - net (Note 20)
Kerugian atas penurunan nilai persediaan (Catatan 10)	(3.439.632)	-	Loss on decline in value of inventory (Note 10)
Penurunan nilai piutang usaha dan piutang usaha lain-lain	(2.620.643)	(5.916.195)	Provision for impairment losses on trade and other receivable
Kerugian kurs mata uang asing - bersih	(711.362)	(8.771.508)	Loss on foreign exchange - net
Keuntungan terkait pelunasan kembali sebagian utang obligasi (Catatan 30)	-	46.836.889	Gain on partial settlement of bonds payable (Note 30)
Penyelesaian nilai uang muka investasi kepada pihak ketiga (Catatan 19)	-	(3.240.522)	Settlement on advance for investment to third party (Note 19)
Lain-lain (masing-masing dibawah US$ 2 juta) - bersih	(2.134.688)	5.897.200	Miscellaneous (each below US$ 2 million) - net
Jumlah	(41.693.989)	24.550.877	Total

41. PENURUNAN NILAI ASET / 41. IMPAIRMENT OF ASSETS

	2016 US$	2015 US$	
Aset tidak berwujud			Intangible assets
MBSS (Catatan 22)	23.398.183	-	MBSS (Note 22)
MEA	-	30.211.797	MEA
Aset tetap (Catatan 20)			Property, plant and equipment (Note 20)
MBSS	4.757.845	2.799.652	MBSS
MEA	-	1.654.009	MEA
Aset dimiliki untuk dijual (Catatan 21)			Assets held for sale (Note 21)
MBSS	2.145.406	-	MBSS
TS	-	1.208.549	TS
Aset eksplorasi dan evaluasi (Catatan 15)			Exploration and evaluation assets (Note 15)
IIR	-	17.012.796	IIR
MEA	-	4.325.999	MEA
Lain-lain	6.108	-	Others
Jumlah	30.307.542	57.212.802	Total

Dengan pertimbangan bahwa aset batubara di MEA dan proyek Baliem saat ini tidak akan dapat memberikan hasil yang menguntungkan pada kondisi pasar batubara saat ini, manajemen IIR memutuskan untuk melakukan pencadangan atas penurunan nilai aset tersebut. Jumlah kerugian penurunan nilai diakui dalam laba rugi untuk dua aset tersebut pada tahun 2015 sebesar US$ 53.204.601, termasuk aset tidak berwujud, aset tetap serta aset eksplorasi dan evaluasi.

In the view that its coal assets in MEA and Baliem project are not economically viable at the current coal market condition, management of IIR has decided to provide full provision for impairment on those assets. Total impairment loss charged to profit and loss for these two assets in 2015 amounted to US$ 53,204,601, including intangible assets, property, plant and equipment as well as exploration and evaluation assets.

42. PAJAK FINAL

Pajak final berasal dari Perusahaan, IPY, MBSS, TPE, TPEC sehubungan dengan pendapatan yang berasal dari pengoperasian sewa gedung, persewaan kapal dan kontrak kontruksi.

42. FINAL TAX

Final tax is derived from the Company, IPY, MBSS, TPE, TPEC which is related to income from operations, office rental, charter of vessels and construction contracts.

43. PAJAK PENGHASILAN

Pajak penghasilan Perusahaan dan entitas anak terdiri dari:

43. INCOME TAX

Income tax of the Company and its subsidiaries consists of the following:

	2016	2015	
	US$	US$	
Pajak kini	(2.252.582)	(2.709.426)	Current tax
Pajak tangguhan	16.368.102	16.387.601	Deferred tax
Penyesuaian atas pajak penghasilan kini atas pajak penghasilan badan tahun sebelumnya	(3.339.263)	(2.650.684)	Adjustment recognized in the current year in relation to the current tax of prior years corporate income tax
Jumlah manfaat pajak	10.776.257	11.027.491	Total tax benefit

Pajak Kini

Rekonsiliasi antara rugi sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan penghasilan kena pajak (rugi fiskal) adalah sebagai berikut:

Current Tax

A reconciliation between loss before tax per consolidated statements of profit or loss and other comprehensive income and taxable income (fiscal loss) is as follows:

	2016	2015	
	US$	US$	
Rugi sebelum pajak menurut laporan laba rugi dan penghasilan komprehensif lain konsolidasian	(115.006.983)	(87.874.519)	Loss before tax per consolidated statements of profit or loss and other comprehensive income
Dikurangi: Rugi sebelum pajak entitas anak	(38.120.487)	(71.656.802)	Less: Loss profit before tax of the subsidiaries
Rugi sebelum pajak - Perusahaan	(76.886.496)	(16.217.717)	Loss before tax - the Company
Perbedaan temporer:			Temporary differences:
Imbalan pasca kerja	6.770.563	1.552.015	Post-employment benefits
Perbedaan penyusutan komersial dan fiskal	541.793	517.392	Difference between commercial and fiscal depreciation
Jumlah	7.312.356	2.069.407	Total
Perbedaan yang tidak dapat diperhitungkan menurut fiskal:			Nondeductible expenses (nontaxable income):
Beban bunga	34.875.433	39.884.536	Interest expense
Beban gaji dan tunjangan	2.447.967	2.323.878	Salaries and benefits
Perjamuan dan representasi	154.130	377.192	Entertainment and representation
Penghasilan kena pajak final - bersih	(1.235.395)	876.255	Income subject to final tax - net
Beban pajak final	337.436	88.965	Final tax expense
Penghasilan bunga dikenakan pajak final	(123.944)	(148.044)	Interest income subjected to final tax
Pajak dan denda	17.141.886	-	Taxes and dues
Lain-lain	390.052	169.244	Others
Jumlah	53.987.565	43.572.026	Total

	2016	2015	
	US$	US$	
Penghasilan kena pajak (rugi fiskal) sebelum kompensasi rugi fiskal Perusahaan	(15.586.575)	29.423.716	Taxable income (fiscal loss) before fiscal losses carryforward
Rugi fiskal			Fiscal losses
2010	-	(22.712.964)	2010
2011	-	(77.816.199)	2011
2012	-	(79.555.620)	2012
2013	-	(45.562.113)	2013
2014	-	(19.308.108)	2014
Akumulasi rugi fiskal	(15.586.575)	(215.531.288)	Accumulated fiscal losses

Berdasarkan peraturan perpajakan di Indonesia, Perusahaan melaporkan pajaknya sendiri. Efektif untuk tahun fiskal 2008, Perusahaan dapat membebankan akumulasi rugi fiskalnya sampai dengan 5 tahun setelah tanggal pajak terhutang.

Under the Taxation Laws in Indonesia, the Company submits tax returns on a self-assessment basis. Effective for fiscal year 2008, the Company may assess its fiscal losses up to accumulated 5 years after the date when the tax becomes due.

Perhitungan kurang (lebih) bayar pajak kini adalah sebagai berikut:

Under (excess) payment of corporate income tax is computed as follows:

	2016	2015	
	US$	US$	
Beban pajak kini			Current tax expense
Perusahaan	-	-	The Company
Entitas anak	2.252.582	2.709.426	Subsidiaries
Jumlah	2.252.582	2.709.426	Total
Dikurangi pajak dibayar dimuka			Less prepaid taxes
Perusahaan	143.624	260.321	The Company
Entitas anak			Subsidiaries
Pasal 22	45.000	258.536	Article 22
Pasal 23	3.010.051	9.038.871	Article 23
Pasal 25	920.661	980.741	Article 25
Jumlah pajak dibayar dimuka	4.119.336	10.538.469	Total prepaid taxes
Lebih bayar pajak kini	(1.866.754)	(7.829.043)	Excess payment of corporate income tax
Lebih bayar pajak kini - (Catatan 11)			Excess payment of corporate income tax (Note 11)
Perusahaan	(143.624)	(260.321)	The Company
Entitas anak	(2.856.516)	(10.791.100)	Subsidiaries
Utang pajak kini (Catatan 26)			Current tax payable (Note 26)
Entitas anak	1.133.386	3.222.378	Subsidiaries
Jumlah	(1.866.754)	(7.829.043)	Total

Rugi fiskal Perusahaan tahun 2015 sudah sesuai dengan Surat Pemberitahuan Pajak Tahunan (SPT) yang disampaikan ke Kantor Pelayanan Pajak.

Fiscal losses of the Company for 2015 are in accordance with the annual corporate tax returns filed with the Tax Service Office.

Pajak Tangguhan

Rincian aset (liabilitas) pajak tangguhan entitas anak adalah sebagai berikut:

Deferred Tax

The details of the subsidiaries' deferred tax assets (liabilities) are as follows:

Aset Pajak Tangguhan

Akun ini merupakan aset pajak entitas anak pada imbalan pasca kerja dan piutang bunga sebesar US$ 373.236 dan US$ 432.932 pada tanggal 31 Desember 2016 dan 2015.

Deferred Tax Assets

This accounts represent deffered tax assets of a subsidiary on post-employment benefits and interest receivable amounting to US$ 373,236 and US$ 432,932, as of December 31, 2016 and 2015, respectively.

Liabilitas Pajak Tangguhan

Akun ini merupakan liabilitas pajak tangguhan entitas anak setelah diperhitungkan dengan aset pajak tangguhan dari masing-masing entitas usaha, dengan rincian sebagai berikut:

Deferred Tax Liabilities

This account represents deferred tax liabilities of subsidiaries after deducting the deferred tax asset of the same business entity as follows:

	2016	2015	
	US$	US$	
Entitas anak			Subsidiaries
Kompensasi kerugian	6.747.000	1.300.000	Tax loss compensation
Imbalan pasca kerja	3.171.000	2.662.498	Post-employment benefits
Persediaan	557.000	164.000	Inventories
Biaya masih harus dibayar	512.000	464.699	Accrued expenses
Piutang usaha	212.000	156.000	Trade accounts receivable
Investasi pada entitas asosiasi	(1.258.750)	(1.258.750)	Investment in associates
Aset tetap	(29.073.456)	(26.659.641)	Property, plant and equipment
Aset tidak berwujud	(38.756.421)	(51.058.455)	Intangible assets
Piutang bunga dari CEP	-	(104.105)	Interest receivable from CEP
Liabilitas pajak tangguhan - bersih	(57.889.627)	(74.333.754)	Deferred tax liabilities - net

Manajemen tidak mengakui aset pajak tangguhan atas akumulasi rugi fiscal Perusahaan, karena terdapat ketidakpastian akan laba kena pajak di masa datang yang dapat dikompensasi dengan rugi fiskal tersebut.

Management did not recognize any deferred tax assets on the Company's unused accumulated fiscal losses due to the significant uncertainties of the availability of taxable income in the future against which tax losses can be utilized.

Rekonsiliasi antara manfaat pajak dan hasil perkalian rugi akuntansi sebelum pajak dengan tarif pajak yang berlaku pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

A reconciliation between the tax benefit and the amount computed by applying the tax rates to loss before tax per consolidated statements of profit or loss and other comprehensive income is as follows:

	2016	2015	
	US$	US$	
Rugi sebelum pajak - Perusahaan	(76.886.496)	(16.217.717)	Loss before tax - Company
Pajak sesuai tarif pajak yang berlaku	(19.221.624)	(4.054.429)	Tax at applicable tax rate
Pengaruh pajak atas perbedaan yang tidak dapat diperhitungkan menurut fiskal:			Tax effect of nondeductible expenses (nontaxable income):
Beban bunga	8.718.858	9.971.134	Interest expense
Beban gaji dan tunjangan	611.992	580.970	Salaries and benefits
Beban pajak final	84.359	22.241	Final tax expense
Perjamuan dan representasi	38.533	94.298	Entertainment and representation
Penghasilan bunga dikenakan pajak final	(30.986)	(37.011)	Interest income subjected to final tax
Penghasilan kena pajak final - bersih	(308.849)	219.064	Income subject to final tax - net
Lain-lain	4.382.985	42.311	Others
Jumlah	13.496.892	10.893.007	Total
Pengaruh pajak atas perbedaan temporer dan rugi fiskal yang tidak diperhitungkan	(2.068.555)	(6.588.577)	Tax effect of the unrecognized temporary differences and fiscal loss
Beban pajak - Perusahaan	-	-	Tax expense - Company
Manfaat pajak - entitas anak	10.776.257	11.027.491	Tax benefit - subsidiaries
Jumlah manfaat pajak	10.776.257	11.027.491	Total tax benefit

Petrosea

Pada tanggal 2 Pebruari 2015, Petrosea menerima Surat Ketetapan Pajak Kurang Bayar (SKPKB) untuk tahun 2010 atas PPN, sebesar Rp 1.448.644.006. Pembayaran tersebut telah dibayar oleh Petrosea pada tanggal 24 Pebruari 2015.

Petrosea

On February 2, 2015, Petrosea received Underpayment Tax Assesment Letter for 2010 Value Added Tax, amounting to Rp 1,448,644,006. Payment for such Underpayment Tax Assessment Letter was made by Petrosea on February 24, 2015.

Pada tanggal 23 April 2015, Petrosea menerima Surat Ketetapan Pajak Lebih Bayar atas Pajak Penghasilan Badan Tahun 2013 sebesar US$ 4.718 ribu atas permohonan pengembalian sebesar US$ 7.487 ribu. Perusahaan telah menerima pengembalian atas kelebihan pajak tersebut pada tanggal 26 Mei 2015. Selisih antara pengembalian pajak yang diterima dengan jumlah yang sebelumnya dicatat, dibebankan pada laba rugi.

Pada tanggal 28 Juli 2015, Petrosea menerima Surat Ketetapan Pajak Kurang Bayar atas Pajak Penghasilan pasal 26 tahun 2011 sebesar Rp 5.801.600.000. Pembayaran pajak kurang bayar ini telah dilakukan oleh Petrosea pada 25 Agustus 2015. Pada tanggal 26 Oktober 2015, Petrosea telah mengajukan permohonan banding yang disampaikan ke Pengadilan Pajak. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, proses banding masih berlangsung.

On April 23, 2015, Petrosea received an Overpayment Tax Assessment Letter for 2013 Corporate Income Tax amounting to US$ 4,718 thousand, as compared to recorded tax claim for refund of US$ 7,487 thousand. Petrosea received the tax refund on May 26, 2015. The difference on the tax refund received and the amount initially recorded as claims are directly charged to profit or loss.

On July 28, 2015, Petrosea received Underpayment Tax Assessment Letter for Withholding tax art 26 year 2011, amounting to Rp 5,801,600,000. Payment for such Underpayment Tax Assessment Letter was made on August 25, 2015. On October 26, 2015, Petrosea requested for an appeal to the Tax Court, for the objection decision. As of the issuance date of the consolidated financial statements, the appeal is still on-going.

44. PROGRAM OPSI SAHAM KARYAWAN DAN MANAJEMEN

Pada bulan Pebruari 2008, para pemegang saham menyetujui Program Pemilikan Saham Karyawan dan Manajemen (EMSOP). Program EMSOP ini diberikan dalam 3 tahap. Peserta EMSOP akan ditetapkan oleh direksi Perusahaan selambat-lambatnya 14 hari sebelum penerbitan opsi untuk masing-masing tahap. Jumlah opsi sebanyak 104.142.000 atau 2% dari seluruh jumlah saham ditempatkan dan disetor penuh setelah penawaran umum saham (IPO) dan dialokasikan dalam 3 tahap yaitu: tahap I dan II masing-masing sebanyak 31.242.500 opsi dan tahap III sebanyak 41.657.000 opsi.

Opsi ini tidak dapat dialihkan dan diperdagangkan. Setiap opsi yang didistribusikan pada setiap tahap berlaku untuk jangka waktu 5 tahun sejak tanggal penerbitan. Opsi tersebut memiliki masa tunggu satu tahun, dimana selama masa tunggu tersebut, peserta tidak dapat melaksanakan opsinya.

Harga pelaksanaan opsi akan ditetapkan berdasarkan Peraturan Pencatatatan Efek No. 1-A, Lampiran Keputusan Direksi Bursa Efek Indonesia (BEI) No. KEP-305/BEJ/07-2004, tanggal 19 Juli 2004, yang mengatur bahwa harga pelaksanaan adalah minimum 90% dari harga rata-rata 25 hari bursa sebelum pemberitahuan Perusahaan kepada BEI mengenai dibukanya periode pelaksanaan. Periode pelaksanaan maksimum 2 kali dalam setahun.

Berdasarkan surat keputusan Direksi No. 234/IE-BOD/VIII/2009 tanggal 11 Agustus 2009 kepada Direksi Bursa Efek Indonesia, direksi Perusahaan menetapkan harga pelaksanaan opsi sebesar Rp 2.138. Nilai wajar opsi diestimasi pada tanggal pemberian opsi dengan menggunakan model *Black – Scholes Option Pricing*. Asumsi utama yang digunakan dalam perhitungan nilai wajar opsi adalah sebagai berikut:

44. EMPLOYEE AND MANAGEMENT STOCK OPTIONS PROGRAM

In February 2008, the stockholders approved the Employee and Management Stock Option Program (EMSOP). Issuance and distribution of options related to the EMSOP program will be implemented in 3 stages. Eligible participants in the EMSOP will be announced by Board of Directors at the latest 14 days prior to the issuance of options during each stage. The total options amounted to 104,142,000 or 2% of the post-IPO issued and paid-up shares allocated to three stages: first and second stages with 31,242,500 each and third stage with 41,657,000 options.

The options are non-transferable and non-tradeable. Each of the option distributed in each stage is valid for 5 years as of the date of its issuance. The options are subject to a one year vesting period, during which the participant is not able to exercise the option.

The exercise price for the option will be determined based on the Listing Rule No. 1-A, as attached to the Decree of the Board of Directors of Indonesia Stock Exchange (IDX) No. KEP-305/BEJ/07-2004 dated July 19, 2004, which regulates that the exercise price is at least 90% of the average price of the shares during a 25-days period prior to the Company's announcement to IDX at the start of an exercise window. There will be at most, two exercise period per year.

Based on Director's Decision Letter No. 234/IE-BOD/VIII/2009 dated August 11, 2009 to the Director of Indonesia Stock Exchange, the Directors of the Company have agreed on the exercise price of Rp 2,138. The fair value of the option is estimated on the grant date using the Black – Scholes Option Pricing model. Key assumptions used in calculating the fair value of the options are as follows:

	31 Desember/*December 31,* 2016 dan/*and* 2015	
Tingkat suku bunga bebas risiko	9,67%	Risk - free interest rate
Periode opsi	5 tahun/*years*	Option period
Perkiraan volatilitas harga saham	69,80%	Expected stock price volatility
Perkiraan dividen	5,30%	Expected dividend

Opsi yang beredar pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 101.092.000.

Outstanding options as of December 31, 2016 and 2015 was 101,092,000.

Tidak terdapat pemberian opsi beban kompensasi program saham karyawan selama tahun 2016 dan 2015.

There are no compensation expenses for employee and management stock option during 2016 and 2015.

Pada tanggal 31 Desember 2016 dan 2015, saldo komponen ekuitas lainnya atas opsi saham karyawan masing-masing sebesar US$ 7.816.296.

As of December 31, 2016 and 2015, other components of equity for employee stock options amounted to US$ 7,816,296.

45. RUGI PER SAHAM / 45. LOSS PER SHARE

Rugi Bersih / Net Loss

Berikut ini data yang digunakan untuk perhitungan laba per saham dasar dan bersifat dilusian:

Below is the data used for the computation of basic and diluted earnings per share:

	2016 US$	2015 US$	
Rugi tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	(67.594.082)	(44.587.878)	Loss for the year attributable to the owners of the Company

Jumlah Saham / Number of Shares

Jumlah rata-rata tertimbang saham yang beredar untuk perhitungan laba per saham adalah sebagai berikut:

The weighted average number of shares outstanding for the computation of earnings per share are as follows:

	2016 US$	2015 US$	
Jumlah rata-rata tertimbang saham, untuk tujuan perhitungan laba per saham dilusian	5.210.192.000	5.210.192.000	Weighted average number of shares - for the calculation of diluted earnings per share
Rugi per saham (Nilai penuh)			Loss per share (Full amount)
Saham dasar	(0,0130)	(0,0086)	Basic
Saham dilusian	(0,0130)	(0,0086)	Diluted

Tahun 2016 dan 2015, Perusahaan tidak menghitung saham dilusian karena potensi saham dari opsi saham karyawan dan manajemen adalah anti dilusi.

In 2016 and 2015, the Company did not compute diluted earnings per share since the potential shares from employee and management stock option is antidilutive.

46. KATEGORI DAN KELAS INSTRUMEN KEUANGAN

46. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	Aset pada nilai wajar melalui laporan laba rugi (Aset keuangan pada FVTPL)/ *Assets at fair value through profit or loss*	Tersedia untuk dijual/ *Available-for-sale*	Liabilitas pada biaya perolehan diamortisasi/ *Liabilities at amortized cost*	Jumlah/ *Total*	
	US$	US$	US$	US$	US$	
31 Desember 2016						**December 31, 2016**
Aset Keuangan Lancar						**Current Financial Assets**
Kas dan setara kas	244.390.164	-	-	-	244.390.164	Cash and cash equivalents
Aset keuangan lainnya	18.151.526	45.532.293	-	-	63.683.819	Other financial assets
Piutang usaha						Trade accounts receivable
Pihak berelasi	7.336.484	-	-	-	7.336.484	Related parties
Pihak ketiga	103.078.410	-	-	-	103.078.410	Third parties
Piutang belum ditagih						Unbilled receivables
Pihak berelasi	2.002.620	-	-	-	2.002.620	Related parties
Pihak ketiga	1.936.675	-	-	-	1.936.675	Third parties
Selisih lebih estimasi pendapatan						Estimated earnings in excess
diatas tagihan kemajuan kontrak	108.055.739	-	-	-	108.055.739	of billings on contracts
Piutang lain-lain - jatuh tempo						Other accounts receivable -
dalam satu tahun						current maturities
Pihak berelasi	7.463.133	-	-	-	7.463.133	Related parties
Pihak ketiga	4.014.091	-	-	-	4.014.091	Third parties
Aset Keuangan Tidak Lancar						**Noncurrent Financial Assets**
Rekening yang dibatasi penggunaannya	3.792.371	-	-	-	3.792.371	Restricted cash
Piutang lain-lain						Other accounts receivable
Pihak berelasi	24.415.240	-	-	-	24.415.240	Related parties
Pihak ketiga	3.128.454	-	-	-	3.128.454	Third parties
Uang muka dan aset tidak lancar lainnya						Advances and other noncurrent assets
Investasi saham	-	-	1.211	-	1.211	Investment in shares of stock
Uang jaminan	3.820.578	-	-	-	3.820.578	Refundable deposits
Liabilitas Keuangan Jangka Pendek						**Current Financial Liabilities**
Utang bank	-	-	-	77.863.574	77.863.574	Bank loans
Utang usaha						Trade accounts payable
Pihak berelasi	-	-	-	64.246	64.246	Related parties
Pihak ketiga	-	-	-	115.780.509	115.780.509	Third parties
Selisih tagihan kemajuan kontrak	-	-	-	23.717.338	23.717.338	Billings in excess of estimated earnings recognized
Utang lain-lain						Other accounts payable
Pihak berelasi	-	-	-	1.259.778	1.259.778	Related parties
Pihak ketiga	-	-	-	2.814.314	2.814.314	Third parties
Biaya masih harus dibayar	-	-	-	38.446.609	38.446.609	Accrued expenses
Utang dividen	-	-	-	226.772	226.772	Dividends payable
Liabilitas jangka panjang - jatuh tempo						Current maturities of
dalam satu tahun						long-term liabilities
Pinjaman jangka panjang	-	-	-	21.847.065	21.847.065	Long-term loans
Liabilitas sewa pembiayaan	-	-	-	6.859.968	6.859.968	Lease liabilities
Utang obligasi - bersih	-	-	-	15.715.599	15.715.599	Bonds payable - net
Liabilitas Keuangan Jangka Panjang						**Noncurrent Financial Liabilities**
Liabilitas jangka panjang						Long-term liabilities
Pinjaman jangka panjang	-	-	-	18.267.630	18.267.630	Long-term loans
Liabilitas sewa pembiayaan	-	-	-	9.759.327	9.759.327	Lease liabilities
Utang obligasi - bersih	-	-	-	654.958.556	654.958.556	Bonds payable - net
Utang jangka panjang - pihak ketiga	-	-	-	4.879	4.879	Other long-term liabilities - third party
Jumlah	531.585.485	45.532.293	1.211	987.586.164		**Total**

	Pinjaman yang diberikan dan piutang/ *Loans and receivables*	Aset pada nilai wajar melalui laporan laba rugi (Aset keuangan pada FVTPL)/ *Assets at fair value through profit or loss*	Tersedia untuk dijual/ *Available-for-sale*	Liabilitas pada biaya perolehan diamortisasi/ *Liabilities at amortized cost*	Jumlah/ *Total*	
	US$	US$	US$	US$	US$	
31 Desember 2015						**December 31, 2015**
Aset Keuangan Lancar						**Current Financial Assets**
Kas dan setara kas	259.032.201	-	-	-	259.032.201	Cash and cash equivalents
Aset keuangan lainnya	20.844.664	59.241.118	-	-	80.085.782	Other financial assets
Piutang usaha						Trade accounts receivable
Pihak berelasi	19.780.511	-	-	-	19.780.511	Related parties
Pihak ketiga	147.322.497	-	-	-	147.322.497	Third parties
Piutang belum ditagih						Unbilled receivables
Pihak berelasi	129.785	-	-	-	129.785	Related parties
Pihak ketiga	764.538	-	-	-	764.538	Third parties
Selisih lebih estimasi pendapatan						Estimated earnings in excess
diatas tagihan kemajuan kontrak	143.731.070	-	-	-	143.731.070	of billings on contracts
Piutang lain-lain - jatuh tempo						Other accounts receivable -
dalam satu tahun						current maturities
Pihak berelasi	3.705.409	-	-	-	3.705.409	Related parties
Pihak ketiga	7.940.557	-	-	-	7.940.557	Third parties
Aset Keuangan Tidak Lancar						**Noncurrent Financial Assets**
Rekening yang dibatasi penggunaannya	291.657	-	-	-	291.657	Restricted cash
Piutang lain-lain						Other accounts receivable
Pihak berelasi	35.712.307	-	-	-	35.712.307	Related parties
Pihak ketiga	1.950.460	-	-	-	1.950.460	Third parties
Uang muka dan aset tidak lancar lainnya						Advances and other noncurrent assets
Investasi saham	-	-	1.211	-	1.211	Investment in shares of stock
Uang jaminan	4.105.376	-	-	-	4.105.376	Refundable deposits
Liabilitas Keuangan Jangka Pendek						**Current Financial Liabilities**
Utang bank	-	-	-	206.015.295	206.015.295	Bank loans
Utang usaha						Trade accounts payable
Pihak berelasi	-	-	-	273.217	273.217	Related parties
Pihak ketiga	-	-	-	124.195.804	124.195.804	Third parties
Selisih tagihan kemajuan kontrak	-	-	-	33.166.753	33.166.753	Billings in excess of estimated earnings recognized
Utang lain-lain						Other accounts payable
Pihak berelasi	-	-	-	211.835	211.835	Related parties
Pihak ketiga	-	-	-	1.888.674	1.888.674	Third parties
Biaya masih harus dibayar	-	-	-	70.928.113	70.928.113	Accrued expenses
Utang dividen	-	-	-	378.653	378.653	Dividend payable
Liabilitas jangka panjang - jatuh tempo						Current maturities of
dalam satu tahun						long-term liabilities
Pinjaman jangka panjang	-	-	-	18.292.014	18.292.014	Long-term loans
Liabilitas sewa pembiayaan	-	-	-	19.074.671	19.074.671	Lease liabilities
Utang obligasi - bersih	-	-	-	15.765.900	15.765.900	Bonds payable - net
Liabilitas Keuangan Jangka Panjang						**Noncurrent Financial Liabilities**
Liabilitas jangka panjang						Long-term liabilities
Pinjaman jangka panjang	-	-	-	52.386.572	52.386.572	Long-term loans
Liabilitas sewa pembiayaan	-	-	-	9.567.165	9.567.165	Lease liabilities
Utang obligasi - bersih	-	-	-	649.115.106	649.115.106	Bonds payable - net
Utang jangka panjang - pihak ketiga	-	-	-	1.350.110	1.350.110	Other long-term liabilities - third party
Jumlah	645.311.032	59.241.118	1.211	1.202.609.882		**Total**

47. MANAJEMEN RISIKO KEUANGAN DAN MANAJEMEN RISIKO MODAL

a. Tujuan dan kebijakan manajemen risiko keuangan

Tujuan dan kebijakan manajemen risiko keuangan Perusahaan dan entitas anak adalah untuk memastikan bahwa sumber daya keuangan yang memadai tersedia untuk operasi dan pengembangan bisnis, serta untuk mengelola risiko mata uang asing, tingkat bunga, risiko harga, kredit dan risiko likuiditas. Perusahaan dan entitas anak beroperasi dengan pedoman yang telah ditentukan oleh Direksi.

i. Manajemen risiko mata uang asing

Mata uang fungsional Perusahaan dan entitas anak adalah Dollar Amerika Serikat. Eksposur mata uang asing Perusahaan dan entitas anak sebagian besar berasal dari transaksi-transaksi dalam mata uang selain Dollar Amerika Serikat terutama atas beban administrasi dan operasional. Namun, eksposur ini dieliminasi dengan kas dan setara kas, deposito berjangka, rekening yang dibatasi pengunaannya, piutang dan pendapatan dalam mata uang selain Dollar Amerika Serikat (Catatan 52). Oleh karena itu, risiko fluktuasi mata uang asing masih dapat dikendalikan oleh Perusahaan dan entitas anak.

Rincian aset dan liabilitas moneter dalam mata uang asing diungkapkan dalam Catatan 52.

Analisis sensitivitas mata uang asing

Sensitivitas Perusahaan dan entitas anak terhadap mata uang asing adalah 7% pada 2016 dan 9% pada 2015. Jika Dollar Amerika Serikat melemah/menguat 7% pada 2016 dan 9% pada 2015, dengan seluruh variabel lainnya konstan, laba atau rugi bersih setelah pajak pada periode-periode tersebut akan menjadi masing-masing US$ 4.843.830 dan US$ 6.468.063lebih tinggi/rendah. 7% dan 9% adalah tingkat sensitivitas yang digunakan ketika melaporkan secara internal risiko mata uang asing kepada para manajemen kunci, dan merupakan penilaian manajemen terhadap perubahan yang mungkin terjadi pada nilai tukar valuta asing. Analisis sensitivitas hanya mencakup saldo moneter yang ada dalam mata uang selain Dollar Amerika Serikat.

Menurut pendapat manajemen, analisis sensitivitas tidak mewakili dari risiko nilai tukar valuta asing karena eksposur pada akhir periode pelaporan tidak mencerminkan eksposur selama tahun berjalan.

47. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Financial risk management objectives and policies

The Company and its subsidiaries' overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of their business, while managing their exposure to foreign currency risk, interest rate risk, price risk, credit and liquidity risks. The Company and its subsidiaries operate within defined guidelines that were approved by Directors.

i. Foreign currency risk management

The Company and its subsidiaries' functional currency is U.S. Dollar. Their foreign exchange exposure arises mainly from transactions denominated in currencies other than the U.S. Dollar which are mainly administration and operating expenses. However, this risk exposure is offset with cash and cash equivalents, time deposits, restricted cash in banks, receivables and revenues denominated in currencies other than the U.S. Dollar (Note 52). Therefore, the impact of foreign currency fluctuation is considered manageable.

Details of monetary assets and liabilities denominated in foreign currencies are disclosed in Note 52.

Foreign currency sensitivity analysis

The Company and its subsidiaries' sensitivity against the relevant foreign currencies is 7% in 2016 and 9% in 2015. Had the U.S. Dollar weakened/strengthened by 7% in 2016 and 9% in 2015 with all other variables held constant, net income or loss after tax for the periods then ended would have been US$ 4,843,830 and US$ 6,468,063 higher/lower, respectively. 7% and 9% are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in currency other than U.S. Dollar.

The management believes that the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

ii. Manajemen risiko tingkat suku bunga

Eksposur risiko tingkat bunga berhubungan dengan jumlah aset atau liabilitas dimana pergerakan pada tingkat suku bunga dapat mempengaruhi laba setelah pajak. Risiko pada pendapatan bunga bersifat terbatas karena Perusahaan dan entitas anak hanya bermaksud untuk menjaga saldo kas yang cukup untuk memenuhi kebutuhan operasional. Dalam beban bunga, keseimbangan optimal antara utang dengan tingkat bunga tetap dan mengambang ditetapkan di muka. Perusahaan dan entitas anak memiliki kebijakan dalam memperoleh pembiayaan yang akan memberikan kombinasi yang sesuai tingkat suku bunga mengambang dan tingkat bunga tetap. Persetujuan dari Direksi dan Komisaris harus diperoleh sebelum Perusahaan dan entitas anak menggunakan instrumen keuangan tersebut untuk mengelola eksposur risiko suku bunga.

Analisis sensitivitas telah ditentukan berdasarkan paparan suku bunga untuk instrumen non-derivatif pada akhir periode pelaporan. Untuk liabilitas tingkat bunga mengambang, analisis tersebut disusun dengan asumsi jumlah liabilitas terutang pada akhir periode pelaporan itu terutang sepanjang tahun. Kenaikan atau penurunan 50 basis poin digunakan ketika melaporkan risiko suku bunga secara internal kepada manajemen kunci dan merupakan penilaian manajemen terhadap perubahan yang mungkin terjadi pada suku bunga.

Jika suku bunga telah lebih tinggi/rendah 50 basis poin dan semua variabel lainnya tetap konstan, laba atau rugi tahun berjalan Perusahaan dan entitas anak yang berakhir 31 Desember 2016 dan 2015 akan naik/turun masing-masing sebesar US$ 857.238 dan US$ 702.550. Hal ini terutama disebabkan oleh eksposur Perusahaan dan entitas anak terhadap suku bunga atas pinjamannya dengan suku bunga variabel.

Eksposur risiko tingkat bunga Perusahaan dan entitas anak pada aset keuangan dan liabilitas keuangan dijelaskan dalam tabel risiko likuiditas.

iii. Manajemen risiko harga

Perusahaan dan entitas anak terekspos pada risiko harga saham yang timbul dari investasi ekuitas. Investasi ekuitas lebih ditujukan untuk tujuan strategis dari pada untuk tujuan perdagangan. Perusahaan dan entitas anak tidak aktif memperdagangkan investasi ini.

ii. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities which are subject to a risk that a movement in interest rates will adversely affect the income after tax. The risk on interest income is limited as the Company and its subsidiaries only intends to keep sufficient cash balances to meet operational needs. On interest expenses, the optimum balance between fixed and floating interest debt is considered upfront. The Company and its subsidiaries have a policy of obtaining financing that would provide an appropriate mix of floating and fix interest rates. Approvals from Directors and Commissioners must be obtained before committing the Company and its subsidiaries to any of the instruments to manage the interest rate risk exposure.

The sensitivity analysis have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company and its subsidiaries' profit or loss for the years ended December 31, 2016 and 2015 would increase/decrease by US$ 857,238 and US$ 702,550, respectively. This is mainly attributable to the Company and its subsidiaries' exposure to interest rates on its variable rate borrowings.

The Company and its subsidiaries exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk table.

iii. Price risks management

The Company and its subsidiaries are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company and its subsidiaries do not actively trade these investments.

Perusahaan dan entitas anak menghadapi risiko harga komoditas karena batubara adalah suatu komoditas yang diperdagangkan di pasar dunia. Harga batubara pada umumnya mengikuti indeks harga internasional, yang cenderung mengalami fluktuasi yang signifikan. Sebagai produk komoditas, harga global batubara pada prinsipnya tergantung pada tingkat permintaan dan penawaran pada pasar ekspor dunia. Perusahaan dan entitas anak belum mengadakan perjanjian untuk melindungi eksposur fluktuasi harga batubara tetapi mungkin melakukannya pada masa yang akan datang. Namun, untuk meminimalisasi risiko, harga batubara dinegosiasi dan disepakati setiap tahunnya dengan pelanggan.

The Company and its subsidiaries faces commodity price risk because coal is a commodity product traded in world coal markets. Prices for coal are generally based on international coal indices as benchmarks, which tend to be highly cyclical and subject to significant fluctuations. As a commodity product, global coal prices are principally dependent on the supply and demand dynamics of coal in the world export market. The Company and its subsidiaries have not entered into coal pricing agreements to hedge its exposure to fluctuations in the coal price but may do so in the future. However, in order to minimize the risk, coal prices are negotiated and agreed every year with customer.

iv. Manajemen risiko kredit

iv. Credit risk management

Risiko kredit merujuk pada risiko rekanan gagal dalam memenuhi liabilitas kontraktualnya yang mengakibatkan kerugian bagi Perusahaan dan entitas anak.

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

Risiko kredit Perusahaan dan entitas anak terutama melekat pada rekening bank dan deposito serta investasi jangka pendek lainnya yang ditempatkan pada bank serta institusi keuangan lainnya, pinjaman kepada pihak berelasi, selisih lebih estimasi pendapatan diatas tagihan kemajuan kontrak dan piutang usaha serta piutang lainnya. Risiko kredit atas kas dan dana yang ditempatkan pada bank serta institusi keuangan tidak signifikan karena Perusahaan dan entitas anak menempatkan dana tersebut pada institusi keuangan yang layak serta terpercaya, sedangkan pinjaman diberikan kepada pihak berelasi, dimana manajemen percaya terhadap reputasi keuangan pihak tersebut. Piutang usaha diberikan kepada pihak ketiga yang layak dan terpercaya.

The Company and its subsidiaries' credit risk is primarily attributed to its bank balances and deposits and other short-term investments placed in banks and other financial institutions, loan receivables from related parties, estimated earnings in excess of billing on contracts and trade and other accounts receivable. Credit risk on cash and funds held in banks and financial institutions is limited because the Company and its subsidiaries places such funds with credit worthy financial institutions, while loan receivables are entered with related companies, where management believes in the credit worthiness of such parties. Trade accounts receivable are entered with respected and credit worthy third parties and related companies.

Nilai tercatat aset keuangan pada laporan keuangan konsolidasian dikurangi dengan penyisihan untuk kerugian mencerminkan eksposur Perusahaan dan entitas anak terhadap risiko kredit.

The carrying amount of financial assets recorded in the consolidated financial statements, net of any allowance for losses represents the Company and its subsidiaries' exposure to credit risk.

v. Manajemen risiko likuiditas

v. Liquidity risk management

Tanggung jawab utama untuk manajemen risiko likuiditas bertumpu pada Direksi yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang. Perusahaan dan entitas anak mengelola risiko likuiditas dengan menjaga kecukupan simpanan, fasilitas bank dan cadangan fasilitas pinjaman dengan terus menerus memonitor perkiraan dan arus kas aktual dan menyesuaikan profil jatuh tempo aset dan liabilitas keuangan.

Ultimate responsibility for liquidity risk management rests with Directors, which has built an appropriate liquidity risk management framework for the management of the Company and its subsidiaries short, medium and long-term funding and liquidity management requirements. The Company and its subsidiaries manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Perusahaan dan entitas anak menjaga kecukupan dana untuk membiayai kebutuhan modal kerja, dimana dana tersebut ditempatkan dalam bentuk kas dan deposito serta dividen kas yang diterima setiap tahunnya.

The Company and its subsidiaries maintains sufficient funds to finance ongoing working capital requirements, whereas the funds are placed in cash and deposit and cash dividend is also received every year.

Tabel risiko likuiditas dan suku bunga

Tabel berikut merinci sisa jangka kontrak Perusahaan dan entitas anak untuk liabilitas keuangan non-derivatif dengan periode pembayaran yang disepakati. Tabel telah dibuat berdasarkan arus kas terdiskonto liabilitas keuangan berdasarkan tanggal paling awal dimana Perusahaan dan entitas anak dapat diminta untuk membayar. Tabel mencakup bunga dan arus kas utama. Untuk liabilitas dengan suku bunga mengambang, jumlah tak terdiskonto ditentukan dari kurva suku bunga pada akhir periode pelaporan. Jatuh tempo kontrak didasarkan pada tanggal yang paling awal di mana Perusahaan dan entitas anak dapat diminta untuk membayar.

Liquidity and interest risk tables

The following tables detail the Company and its subsidiaries' remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company and its subsidiaries can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company and its subsidiaries may be required to pay.

	Tingkat bunga rata-rata tertimbang efektif/ *Weighted average effective interest*	Kurang dari 1 bulan/ *Less than 1 month*	1-3 bulan/ *1-3 months*	3 bulan sampai 1 tahun/ *3 months to 1 year*	1-5 tahun/ *1-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	
	%	US$	US$	US$	US$	US$		
31 Desember 2016								**December 31, 2016**
Tanpa bunga								Non-interest bearing
Utang usaha		16.130.873	33.169.361	66.544.521	-	-	115.844.755	Trade accounts payable
Utang lain-lain		-	-	4.074.092	-	-	4.074.092	Other accounts payable
Biaya yang masih harus dibayar		38.446.609	-	-	-	-	38.446.609	Accrued expense
Selisih tagihan kemajuan kontrak		-	-	23.717.338	-	-	23.717.338	Billings in excess of estimated earnings
Utang dividen		226.772	-	-	-	-	226.772	Dividends payable
Instrumen suku bunga variabel								Variable interest rate instruments
Utang bank	3,0 % - 6,0 %	-	250.954	40.891.663	-	-	41.142.617	Bank loans
Liabilitas sewa pembiayaan	3,125% - 3,5 %	-	-	6.859.968	9.759.327	-	16.619.295	Lease liabilities
Pinjaman jangka panjang	5,19 % - 9,94 %	-	244.888	14.776.620	14.524.946	-	29.546.454	Long-term loans
Instrumen suku bunga tetap								Fixed interest rate instruments
Utang bank	3,13% - 3,88%	-	465.693	39.607.888	-	-	40.073.581	Bank loans
Pinjaman jangka panjang	3,85%	-	221.051	8.468.262	8.402.073	-	17.091.386	Long-term loans
Utang obligasi	6,38% - 7,0 %	-	-	15.715.599	202.339.007	643.202.162	861.256.768	Bonds payable
Jumlah		54.804.254	34.351.947	220.655.951	235.025.353	643.202.162	1.188.039.667	Total
31 Desember 2015								**December 31, 2015**
Tanpa bunga								Non-interest bearing
Utang usaha		3.285.389	5.635.773	115.547.859	-	-	124.469.021	Trade accounts payable
Utang lain-lain		-	-	2.100.509	-	-	2.100.509	Other accounts payable
Biaya yang masih harus dibayar		70.928.113	-	-	-	-	70.928.113	Accrued expense
Selisih tagihan kemajuan kontrak		-	-	33.166.753	-	-	33.166.753	Billings in excess of estimated earnings
Utang dividen		378.653	-	-	-	-	378.653	Dividend payable
Instrumen suku bunga variabel								Variable interest rate instruments
Utang bank	2,75 % - 6,0 %	-	348.018	155.794.780	-	-	156.142.798	Bank loans
Liabilitas sewa pembiayaan	3,125 % - 3,5 %	-	-	19.746.099	842.170	-	20.588.269	Lease liabilities
Pinjaman jangka panjang	3,25%	-	81.230	9.997.506	57.039.805	-	67.118.541	Long-term loans
Instrumen suku bunga tetap								Fixed interest rate instruments
Liabilitas sewa pembiayaan	2,75 % - 6,0 %	-	130.919	58.607.608	-	-	58.738.527	Lease liabilities
Pinjaman jangka panjang	3,125% - 3,5%	-	35.596	9.030.071	24.532.514	-	33.598.181	Long-term loans
Utang obligasi	6,38 % - 7,0 %	-	-	15.765.900	212.134.893	637.463.601	865.364.394	Bonds payable
Jumlah		74.592.155	6.231.536	419.757.085	294.549.382	637.463.601	1.432.593.759	Total

Tabel berikut merinci estimasi jatuh tempo instrumen keuangan non-derivatif Perusahaan dan entitas anak. Tabel tersebut telah disusun berdasarkan jatuh tempo kontrak terdiskonto dari aset keuangan termasuk bunga yang akan diperoleh dari aset tersebut. Dimasukkannya informasi aset keuangan non-derivatif diperlukan untuk memahami manajemen risiko likuiditas Perusahaan dan entitas anak sebagaimana likuiditas dikelola berdasarkan aset dan liabilitas bersih.

The following table details the Company and its subsidiaries' expected maturity for non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company and its subsidiaries' liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Tingkat bunga rata-rata tertimbang efektif/ *Weighted average*	Kurang dari 1 bulan/ *Less than 1 month*	1-3 bulan/ *1-3 months*	3 bulan sampai 1 tahun/ *3 months to 1 year*	1-5 tahun/ *1-5 years*	Lebih dari 5 tahun/ *More than 5 years*	Jumlah/ *Total*	
	%	US$	US$	US$	US$	US$		
31 Desember 2016								**December 31, 2016**
Tanpa bunga								Non-interest bearing
Kas		199.131	-	-	-	-	199.131	Cash on hand
Selisih lebih estimasi pendapatan diatas tagihan kemajuan kontrak		-	-	108.055.739	-	-	108.055.739	Estimated earnings in excess of billings
Piutang usaha		94.200.847	10.904.242	5.309.805	-	-	110.414.894	Trade accounts receivable
Piutang lain-lain		-	-	1.065.208	1.268.691	-	2.333.899	Other accounts receivable
Uang jaminan		-	-	-	3.820.578	-	3.820.578	Refundable deposits
Piutang belum ditagih		-	-	3.939.295		-	3.939.295	Unbilled receivable
Uang muka dan aset tidak lancar lainnya		-	-	-	1.211	-	1.211	Advance and other noncurrent assets
Instrumen tingkat bunga variabel								Variable interest rate instruments
Bank	1,00 % - 2,50 %	180.997.033	-	-	-	-	180.997.033	Cash in bank
Piutang lain-lain	9,00 % - 11,00 %	-	-	13.830.797	9.980.787	46.093.341	69.904.925	Other accounts receivable
Rekening yang dibatasi penggunaannya	1,00 % - 2,50 %	-	-	3.792.371	-	-	3.792.371	Restricted cash
Aset keuangan lainnya		18.151.526	45.532.293	-	-	-	63.683.819	Other financial assets
Instrumen tingkat bunga tetap								Fixed interest rate instruments
Deposito berjangka	4,25 % - 5,50 %	63.193.996	-	-	-	-	63.193.996	Time deposits
Jumlah		356.742.533	56.436.535	135.993.215	15.071.267	46.093.341	610.336.891	Total
31 Desember 2015								**December 31, 2015**
Tanpa bunga								Non-interest bearing
Kas		221.011	-	-	-	-	221.011	Cash
Selisih lebih estimasi pendapatan diatas tagihan kemajuan kontrak		-	-	143.731.070	-	-	143.731.070	Estimated earnings in excess of billings
Piutang usaha		114.187.610	13.901.351	39.014.047	-	-	167.103.008	Trade accounts receivable
Piutang lain-lain		-	-	7.940.558	3.960.387	-	11.900.945	Other accounts receivable
Uang jaminan		-	-	-	4.105.376	-	4.105.376	Refundable deposits
Piutang belum ditagih		-	-	894.323	-	-	894.323	Unbilled receivable
Uang muka dan aset tidak lancar lainnya		-	-	-	1.211	-	1.211	Advance and other noncurrent assets
Instrumen tingkat bunga variabel								Variable interest rate instruments
Bank	1,00 % - 2,50 %	159.470.753	-	-	-	-	159.470.753	Cash in bank
Piutang lain-lain	9,00 % - 11,00 %	-	-	3.509.800	11.905.204	85.590.516	101.005.520	Other accounts receivable
Rekening yang dibatasi penggunaannya	1,00 % - 2,50 %	-	-	-	291.657	-	291.657	Restricted cash
Aset keuangan lainnya		20.844.664	59.241.118	-	-	-	80.085.782	Other financial assets
Instrumen tingkat bunga tetap								Fixed interest rate instruments
Deposito berjangka	4,25 % - 10,05 %	99.340.437	-	-	-	-	99.340.437	Time deposits
Jumlah		394.064.475	73.142.469	195.089.798	20.263.835	85.590.516	768.151.093	Total

b. Manajemen risiko modal

Perusahaan dan entitas anak mengelola modalnya untuk memastikan mereka dapat mempertahankan kelangsungan usaha disamping memaksimalkan pengembalian kepada pemegang saham melalui optimalisasi saldo utang dan ekuitas.

b. Capital risk management

The Company and its subsidiaries manage their capital to ensure that they will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

Struktur modal Perusahaan dan entitas anak terdiri dari utang termasuk pinjaman yang diungkapkan dalam Catatan 24, 28, 29 dan 30, kas dan setara kas (Catatan 5), investasi dimiliki untuk dijual pada nilai wajar dalam laba rugi dan modal tersedia bagi para pemegang saham dari induk perusahaan, terdiri dari modal saham (Catatan 32), tambahan modal disetor (Catatan 33), laba ditahan dan komponen ekuitas lainnya.

The capital structure of the Company and its subsidiaries consists of debt, which includes the borrowings disclosed in Notes 24, 28, 29 and 30, cash and cash equivalents (Note 5), held-for-trading investment at fair value through profit or loss and equity attributable to equity holders of the parent, comprising of issued capital (Note 32), additional paid-in capital (Note 33), retained earnings and other components of equity.

Gearing ratio pada tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

The gearing ratio as of December 31, 2016 and 2015 are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Pinjaman			Debt
Utang bank	77.863.574	206.015.295	Bank loans
Pinjaman jangka panjang	40.114.695	70.678.586	Long-term loans
Liabilitas sewa pembiayaan	16.619.295	28.641.836	Lease liabilities
Utang obligasi - bersih	670.674.155	664.881.006	Bonds payable - net
Jumlah pinjaman	805.271.719	970.216.723	Total debt
Kas dan setara kas	244.390.164	259.032.201	Cash and cash equivalents
Investasi dimiliki untuk dijual pada nilai wajar dalam laba rugi	45.532.293	59.241.118	Held-for-trading investment at fair value through profit or loss
Pinjaman - bersih	515.349.262	651.943.404	Net debt
Ekuitas	589.242.230	652.018.169	Equity
Rasio pinjaman bersih terhadap modal	87%	100%	Net debt to equity ratio

48. PENGUKURAN NILAI WAJAR

Nilai wajar instrumen keuangan yang dicatat pada biaya perolehan amortisasi

Kecuali disebutkan pada tabel berikut ini, manajemen berpendapat bahwa nilai tercatat aset dan liabilitas keuangan yang dicatat dalam laporan keuangan konsolidasian mendekati nilai wajarnya baik karena mempunyai jangka waktu pendek atau yang berlaku menggunakan tingkat suku bunga pasar:

48. FAIR VALUE MEASUREMENTS

Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values because they have either short-term maturities or carry market interest rate:

	31 Desember/*December 31,* 2016			31 Desember/*December 31,* 2015		
	Nilai tercatat/ *Carrying amount*	Nilai wajar/ *Fair value*	Tingkatan hiriarki/ *Hierarchy level*	Nilai tercatat/ *Carrying amount*	Nilai wajar/ *Fair value*	
	US$	US$		US$	US$	
Aset						**Assets**
Piutang lain-lain	39.020.918	41.554.209	Tingkat/*Level* 3	49.308.733	51.132.282	Other accounts receivable
Liabilitas						**Liabilities**
Pinjaman jangka panjang	40.114.695	53.015.106	Tingkat/*Level* 2	70.678.586	70.628.353	Long-term loans
Utang obligasi - bersih	654.958.556	524.949.959	Tingkat/*Level* 1	649.115.106	291.110.760	Bonds payable - net
Jumlah Liabilitas	695.073.251	577.965.065		719.793.692	361.739.113	Total Liabilities

Nilai wajar instrumen keuangan diatas, kecuali untuk utang obligasi, ditentukan melalui analisis arus kas yang didiskonto dengan menggunakan tingkat diskonto yang setara dengan tingkat pengembalian yang berlaku bagi instrumen keuangan yang memiliki syarat dan periode jatuh tempo yang sama.

Nilai wajar utang obligasi didasarkan pada harga kuotasi yang tersedia di bursa.

Pengukuran nilai wajar diakui dalam laporan posisi keuangan konsolidasian

Instrumen keuangan yang diukur berdasarkan nilai wajar secara substansial diakui sehubungan dengan investasi pada unit portofolio dimana diklasifikasi sebagai aset pada nilai wajar diakui melalui laba rugi (Catatan 6). Investasi saham dan investasi alternatif jatuh pada level 1 sesuai dengan tingkatan nilai wajar:

- Tingkat 1 pengukuran nilai wajar adalah yang berasal dari harga kuotasian (tak disesuaikan) dalam pasar aktif untuk asset atau liabilitas yang serupa;
- Tingkat 2 pengukuran nilai wajar adalah yang berasal dari input selain harga kuotasian yang termasuk dalam Tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya deviasi dari harga); dan
- Tingkat 3 pengukuran nilai wajar adalah yang berasal dari teknik penilaian yang mencakup input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi).

Tidak terdapat transfer antara level 1 dan 2 selama tahun berjalan.

The fair value for the above financial instruments, except for bonds payable, was determined by discounting estimated cash flows using discount rates for financial instruments with similar term and maturity.

Fair value of bonds payable is based on available quoted price from exchange.

Fair value measurements recognised in the consolidated statement of financial position

Financial instrument measured at fair value subsequent to initial recognition pertains to investment in portfolio (bonds and alternative investments), which is classified as at fair value through profit loss (Note 6). The investment in bonds and alternative investments fall into level 1 of the following fair value hierarchy:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability,either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between levels 1 and 2 during the year.

49. SIFAT DAN TRANSAKSI PIHAK BERELASI

Sifat Hubungan Pihak Berelasi

a. PT Indika Mitra Energi adalah pemegang saham utama Perusahaan.

b. Pihak berelasi yang memiliki pemegang saham utama yang sama dengan Perusahaan adalah:
   - PT Power Jawa Barat
   - PT Marmitria Land
   - PT Indo Turbine (IT)

c. Pihak berelasi yang merupakan perusahaan asosiasi dari entitas anak:
   - PT Kideco Jaya Agung
   - PT Cotrans Asia
   - PT Sea Bridge Shipping
   - PT Intan Resource Indonesia
   - PT Cirebon Electric Power
   - PT Cirebon Power Services
   - PT Cirebon Energi Prasarana

49. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationships

a. PT Indika Mitra Energi is the ultimate parent Company.

b. Related parties which have the same major stockholder as the Company:
   - PT Power Jawa Barat
   - PT Marmitria Land
   - PT Indo Turbine (IT)

c. Related parties which are associates of the Company's subsidiaries:
   - PT Kideco Jaya Agung
   - PT Cotrans Asia
   - PT Sea Bridge Shipping
   - PT Intan Resources Indonesia
   - PT Cirebon Electric Power
   - PT Cirebon Power Services
   - PT Cirebon Energi Prasarana

d. PT Santan Batubara (SB) adalah entitas dimana Petrosea memiliki pengendalian bersama (Catatan 17).

e. STC Joint Operation dan CSTS Joint Operation merupakan proyek kerjasama antara TPEC dengan pihak ketiga (Catatan 18).

f. Manajemen kunci yang meliputi anggota dewan Komisaris dan Direksi Perusahaan.

g. PT Imeco Multi Prasarana (IMP) adalah pihak berelasi karena salah seorang pemegang saham utama Perusahaan merupakan manajemen kunci di IMP.

Kebijakan Perusahaan dan entitas anak mengenai persyaratan dan kondisi transaksi dengan pihak berelasi setara dengan yang berlaku dalam transaksi wajar.

Transaksi Pihak Berelasi

Dalam kegiatan usaha normalnya, Perusahaan dan entitas anak melakukan transaksi tertentu dengan pihak berelasi meliputi, antara lain, sebagai berikut:

a. Jumlah kompensasi komisaris dan direksi Perusahaan untuk tahun-tahun yang berakhir tanggal 31 Desember 2016 dan 2015 adalah sebesar:

d. PT Santan Batubara (SB) is an entity wherein Petrosea has joint control (Note 17).

e. STC Joint Operation and CSTS Joint Operation are joint operations between TPEC and third party (Note 18).

f. Key management personnel includes Commissioners and Directors of the Company.

g. PT Imeco Multi Prasarana (IMP) is a related party because one of the main shareholders of the Company is also the key management in IMP.

The Company and its subsidiaries' policy as regards to terms and conditions of transactions with related parties are made as at conditions as those done with third parties.

Transactions with Related Parties

In the normal course of business, the Company and its subsidiaries entered into certain transactions with related parties including, among others, the following:

a. Total remuneration of commissioners and directors of the Company for the years ended December 31, 2016 and 2015 are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Komisaris			Commissioners
Manfaat jangka pendek	992.635	1.030.251	Short-term benefits
Direksi			Directors
Manfaat jangka pendek	1.303.605	2.185.578	Short-term benefits
Jumlah	2.296.240	3.215.829	Total

b. Petrosea memberikan jasa pengupasan tanah penutup dan penambangan batubara kepada PT Kideco Jaya Agung dan PT Santan Batubara.

TPE memberikan jasa konstruksi kepada PT Indo Turbine.

MBSS juga memberikan jasa *floating crane* dan jasa pelayaran kepada PT Kideco Jaya Agung dan PT Cotrans Asia. Pada tanggal pelaporan, saldo piutang yang berasal dari transaksi ini dicatat sebagai piutang usaha kepada pihak berelasi (Catatan 7).

b. Petrosea provided overburden removal and coal production services to PT Kideco Jaya Agung and PT Santan Batubara.

TPE provided construction services to PT Indo Turbine.

MBSS also provided floating crane and voyage services to PT Kideco Jaya Agung and PT Cotrans Asia. At reporting date, the outstanding receivables from such transaction were recorded as trade accounts receivable from related parties (Note 7).

Piutang Usaha (Catatan 7) / Trade Accounts Receivable (Note 7)

	Jumlah/*Amount*		Persentase terhadap jumlah aset/ *Percentage to total assets*		
	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$			
PT Kideco Jaya Agung	5.015.174	12.218.125	0,28%	0,57%	PT Kideco Jaya Agung
PT Santan Batubara	1.786.623	1.786.668	0,10%	0,08%	PT Santan Batubara
PT Cotrans Asia	534.687	1.121.663	0,03%	0,05%	PT Cotrans Asia
STC Joint Operation	-	2.329.151	-	0,11%	STC Joint Operation
CSTS Joint Operation	-	2.103.827	-	0,10%	CSTS Joint Operation
PT Indo Turbine	-	221.077	-	0,01%	PT Indo Turbine
Jumlah	7.336.484	19.780.511	0,41%	0,92%	Total

Piutang Belum Ditagih (Catatan 8) / Unbilled Receivables (Note 8)

	Jumlah/*Amount*		Persentase jumlah aset/ *Percentage to total assets*		
	31 Desember/ December 31, 2016	*31 Desember/ December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$			
CSTS Joint Operation	2.002.620	-	0,11%	-	CSTS Joint Operation
PT Indo Turbine	-	129.785	-	0,01%	PT Indo Turbine
Jumlah	2.002.620	129.785	0,11%	0,01%	Total

Pendapatan Kontrak dan Jasa (Catatan 35) / Contracts and Service Revenues (Note 35)

	Jumlah/*Amount*		Persentase terhadap pendapatan/ *Percentage to total revenues*		
	2016	2015	2016	2015	
	US$	US$			
PT Kideco Jaya Agung	59.227.890	98.268.223	7,64%	8,95%	PT Kideco Jaya Agung
STC Joint Operation	15.898.115	42.165.467	2,05%	3,84%	STC Joint Operation
PT Cotrans Asia	7.158.344	10.316.368	0,92%	0,94%	PT Cotrans Asia
CSTS Joint Operation	7.001.703	5.593.194	0,90%	0,51%	CSTS Joint Operation
PT Indo Turbine	-	297.759	-	0,03%	PT Indo Turbine
Jumlah	89.286.052	156.641.011	11,51%	14,27%	Total

c. Rincian transaksi pembelian dan utang usaha dan saldo dengan pihak berelasi adalah sebagai berikut:

c. Details of the transactions purchases and trade payable and balances with related parties are as follows:

Utang Usaha (Catatan 25) / Trade Accounts Payable (Note 25)

	Jumlah/*Amount*		Persentase jumlah liabilitas/ *Percentage to total liabilities*		
	31 Desember/ December 31, 2016	*31 Desember/ December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$			
PT Kideco Jaya Agung	64.246	-	0,01%	-	PT Kideco Jaya Agung
PT Indo Turbine	-	273.217	-	0,02%	PT Indo Turbine
Jumlah	64.246	273.217	0,01%	0,02%	Total

Utang Lain-lain

Other Accounts Payable

	Jumlah/*Amount*		Persentase terhadap jumlah liabilitas/ *Percentage to total liabilities*		
	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$			
PT Santan Batubara	1,247,121	5,121	0.12%	0.00%	PT Santan Batubara
PT Sea Bridge Shipping	-	206,714	-	0.02%	PT Sea Bridge Shipping
Lain-lain	12,657	-	0.00%	-	Others
Jumlah	1,259,778	211,835	0.12%	0.02%	Total

Beban Pokok Kontrak dan Penjualan (Catatan 36)

TPEC menunjuk PT Indo Turbine sebagai salah satu penyedia jasa rekayasa teknik. Pada tahun 2016 dan 2015, jumlah penggunaan jasa dari PT Indo Turbine masing-masing sebesar nihil dan US$ 266.581, dengan persentase terhadap jumlah beban pokok kontrak dan penjualan masing-masing sebesar nihil dan 0,02%.

Cost of Contracts and Good Sold (Note 36)

TPEC engaged PT Indo Turbine as one of engineering service provider to provide detailed engineering and construction support services. In 2016 and 2015, service used from PT Indo Turbine amounted to nil and US$ 266,581, respectively, with percentage total cost of contracts and good sold are nil and 0.02%, respectively.

d. Perusahaan dan entitas anak juga melakukan transaksi lain dengan pihak berelasi dengan rincian transaksi dan saldo sebagai berikut:

d. The Company and its subsidiaries entered into other transactions. Details of related parties transactions and balances are as follows:

Piutang Lain-lain Pihak Berelasi

Perusahaan dan entitas anak memberikan pinjaman dana kepada pihak berelasi dan melakukan pembayaran terlebih dahulu atas biaya pihak berelasi sebagai berikut:

Other Accounts Receivable from Related Parties

The Company and its subsidiaries provided loans to related parties and also made advance payments of expenses for related parties, as follows:

	Jumlah/*Amount*		Persentase dari jumlah aset/ *Percentage to total assets*		
	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$			
PT Cirebon Electric Power	23.146.549	30.482.380	1,27%	1,42%	PT Cirebon Electric Power
PT Cirebon Energi Prasarana	4.150.000	-	0,23%	-	PT Cirebon Energi Prasarana
PT Sea Bridge Shipping	3.220.000	6.440.000	0,18%	0,30%	PT Sea Bridge Shipping
PT Power Jawa Barat	1.888.868	1.839.712	0,10%	0,09%	PT Power Jawa Barat
Pinjaman karyawan	1.268.691	2.009.927	0,07%	0,09%	Employee loans
Lain-lain (masing-masing dibawah US$ 100.000)	93.133	485.409	0,00%	0,02%	Others (each below US$ 100,000)
Jumlah	33.767.241	41.257.428	1,85%	1,92%	Total
Dikurangi bagian yang jatuh tempo dalam satu tahun	(7.463.133)	(3.705.409)	(0.41%)	(0,65%)	Less current maturities
Bagian jangka panjang	26.304.108	37.552.019	1,44%	1,27%	Non-current maturities
Dikurangi cadangan kerugian penurunan nilai	(1.888.868)	(1.839.712)	(0,10%)	(0,09%)	Less allowance for impairment losses
Bagian jangka panjang piutang lain-lain pihak berelasi - bersih	24.415.240	35.712.307	1,34%	1,18%	Non-current maturities of other accounts receivable from related parties - net

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang lain-lain kepada pihak berelasi adalah cukup.

Management believes that the allowance for impairment losses on other accounts receivable from related parties is adequate.

Pinjaman Pemegang Saham

PT Cirebon Electric Power (CEP)

III dan IPI mengadakan beberapa Perjanjian Pinjaman Pemegang Saham dengan PT Cirebon Electric Power (CEP) dimana III dan IPI, bersama dengan pemegang saham CEP lainnya setuju untuk dari waktu ke waktu membiayai serta menyediakan, hingga 50% dari kontribusi pro ratanya, untuk pembangunan proyek pembangkit tenaga listrik berbahan bakar batubara CEP serta biaya-biaya terkait lainnya, dalam bentuk satu atau lebih pinjaman pemegang saham.

Rincian perjanjian dan piutang yang masih berlaku pada tanggal pelaporan adalah sebagai berikut:

Shareholder Loans

PT Cirebon Electric Power (CEP)

III and IPI entered into several Shareholder Loan Agreements with PT Cirebon Electric Power (CEP) wherein III and IPI together with the other shareholders of CEP agreed to finance and provide CEP, from time to time, up to 50% of pro-rata contributions for the development and other related costs of CEP's coal fired power plant project in the form of one or more shareholder loans.

Details of the agreements and receivables outstanding as of reporting dates are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
• Perjanjian Pinjaman Pemegang Saham tanggal 6 Oktober 2008			• Shareholder Loan Agreement dated October 6, 2008
IPI	-	2.822.903	IPI
III	-	940.968	III
• Perjanjian Pinjaman Pemegang Saham tanggal 27 Oktober 2008			• Shareholder Loan Agreement dated October 27, 2008
IPI	-	3.337.500	IPI
III	-	1.112.500	III
• Perjanjian Pinjaman Pemegang Saham tanggal 28 Nopember 2008			• Shareholder Loan Agreement dated November 28, 2008
IPI	771.825	1.350.000	IPI
III	257.275	450.000	III
• Perjanjian Pinjaman Pemegang Saham tanggal 22 Desember 2008			• Shareholder Loan Agreement dated December 22, 2008
IPI	2.835.000	2.835.000	IPI
III	945.000	945.000	III
• Perjanjian Pinjaman Pemegang Saham tanggal 6 Pebruari 2009			• Shareholder Loan Agreement dated February 6, 2009
IPI	2.400.000	2.400.000	IPI
III	800.000	800.000	III
• Perjanjian Pinjaman Pemegang Saham tanggal 24 April 2009			• Shareholder Loan Agreement dated April 24, 2009
IPI	2.634.000	2.634.000	IPI
III	878.000	878.000	III
• Perjanjian Pinjaman Pemegang Saham tanggal 15 Juni 2009			• Shareholder Loan Agreement dated June 15, 2009
IPI	1.485.000	1.485.000	IPI
III	495.000	495.000	III
• Perjanjian Pinjaman Pemegang Saham tanggal 16 Juli 2009			• Shareholder Loan Agreement dated July 16, 2009
IPI	120.000	120.000	IPI
III	40.000	40.000	III
• Akumulasi piutang bunga			• Accumulated interest receivable
IPI	-	612.382	IPI
III	-	204.127	III
Jumlah	13.661.100	23.462.380	Total

Setiap pinjaman pemegang saham diatas dikenakan bunga 11% per tahun dan akan jatuh tempo setelah 20 tahun terhitung sejak tanggal masing-masing perjanjian pinjaman tersebut. Berdasarkan perjanjian-perjanjian tersebut, CEP berjanji untuk membayar seluruh pokok pinjaman bersama dengan seluruh bunga yang terutang pada saat jatuh tempo.

Pada tanggal atau sebelum tanggal jatuh tempo, pemegang saham CEP dapat memutuskan untuk mengkonversi saldo pinjaman pemegang saham menjadi saham CEP. Dalam hal konversi tersebut disepakati oleh seluruh pemegang saham, maka CEP akan mengambil semua tindakan yang diperlukan untuk mengkonversi saldo pinjaman menjadi saham biasa CEP sehingga setelah konversi tersebut, pemegang saham CEP akan tetap mempertahankan kepemilikan di CEP secara pro-rata sesuai dengan persentase kepemilikan pemegang saham di CEP pada tanggal perjanjian tersebut diatas. Saham yang dikeluarkan kepada pemegang saham CEP sehubungan dengan konversi ini akan menjadi bagian saham yang dimiliki oleh pemegang saham CEP.

Keputusan Tertulis Dewan Direksi CEP menyetujui bahwa CEP akan membayar sebagian dari pinjaman dan bunga kepada para pemegang saham pada tahun 2016 dan 2015. Pembayaran kembali atas bunga tersebut lebih tinggi dibandingkan bunga yang diakui sehingga menyebabkan akumulasi piutang bunga menjadi nihil. Kelebihan pembayaran atas bunga senilai US$ 133,890 dicatat sebagai bunga masih harus dibayar pada tahun 2016. Alokasi pembayaran kepada IPI dan III adalah sebagai berikut:

Each of the above shareholder loans bears interest rate per annum at 11% and has a final maturity date at 20 years since the date of each loan agreements. Based on those agreements, CEP irrevocably promises to repay the entire outstanding principal amount of the loan together with all interest accrued thereon, on the final maturity date.

On or prior to the final maturity date, the shareholders of CEP may resolve in accordance with the charter documents of CEP to effect at final maturity date, the conversion of the outstanding balance of the shareholder loans into shares of CEP. In the event that such resolution has been adopted by the shareholders, CEP shall take all necessary corporate actions to convert the outstanding balance of loan into the common shares of CEP so that after such conversion, CEP's shareholder will continue to maintain its pro rata equity ownership interest in CEP equal to the CEP shareholders' percentage shareholding in CEP at the date when those agreement were made. Shares issued to the CEP's shareholders in connection with this conversion shall be deemed to be part of the CEP's capital stock.

Based on Unanimous Written Resolutions of the Boards of Directors of CEP, it is resolved that CEP will repay part of its loans and interest to the shareholders in 2016 and 2015. These repayments of interest are higher than the interest recognized which caused the accumulated interest receivable become nil. The overpayment of interest amounting to US$ 133,890 was deffered in 2016. Allocation of payments to IPI and III are as follows:

Pemegang saham/ *Name of shareholders*	Pembayaran pokok pinjaman pemegang saham/ *Payments of principals of shareholder loans*	Pembayaran bunga atas pinjaman pemegang saham (sebelum pajak)/ *Payments on interest of shareholders loans (before tax)*	Jumlah pembayaran (sebelum pajak)/ *Total payment (before tax)*
	US$	US$	US$
Mei/*May* 2016			
IPI	3.326.632	1.323.368	4.650.000
III	1.108.878	441.122	1.550.000
Jumlah/*Total*	4.435.510	1.764.490	6.200.000
September/*September* 2016			
IPI	3.411.946	504.958	3.916.904
III	1.137.315	168.319	1.305.634
Jumlah/*Total*	4.549.261	673.277	5.222.538
September/*September* 2015			
IPI	2.652.097	4.254.462	6.906.559
III	884.032	1.413.982	2.298.014
Jumlah/*Total*	3.536.129	5.668.444	9.204.573

Pada tahun 2016 dan 2015, Perusahaan menyetorkan US$ 2.465.449 dan US$ 7.020.000 kepada Mizuho Bank Ltd. untuk menjamin *Debt Service Reserve Requirement* atas fasilitas pembiayaan proyek CEP, sebagai pengganti SBLC yang sebelumnya diterbitkan oleh PT Bank ANZ Indonesia (Catatan 51). Transaksi ini dicatat sebagai piutang lain-lain kepada CEP.

In 2016 and 2015, the Company paid US$ 2,465,449 and US$ 7,020,000 to Mizuho Bank Ltd. to secure the Debt Service Reserve Requirement for CEP's project financing facility, as a replacement for the SBLC issued by PT Bank ANZ Indonesia (Note 51). Such transaction was recorded as part of other account receivables from CEP.

PT Cirebon Energi Prasarana

Pada bulan October 2016, CEPR menandatangani Perjanjian Pemegang Saham *Bridge Loan* dengan pemegang saham yang setuju untuk menyediakan pinjaman kepada CEPR, proporsional dengan persentase kepemilikan di CEPR. PEC, sebagai 25% pemegang saham di CEPR, menyetujui pinjaman sebesar US$ 4.150.000 dengan tingkat bunga 4% per tahun. Pinjaman ini digunakan untuk membiayai biaya dan beban proyek CEPR.

PT Cirebon Energi Prasarana

In October 2016, CEPR entered into Shareholder Bridge Loan Agreement with its shareholders wherein the shareholders agreed to provide bridge loan to CEPR, proportionate with their percentage of ownership in CEPR. PEC, as a 25% shareholder in CEPR, granted bridge loan at the amount of US$ 4,150,000 bearing interest at 4% per annum. The loan is used to finance CEPR's project cost and expenses.

CEPR akan membayar lebih awal pinjaman kepada pemegang saham dalam jangka waktu 3 hari kerja setelah mendapatkan pinjaman berdasarkan *Equity Bridge Loan* (EBL) *Agreement* antara CEPR dan institusi keuangan. Jika pemegang saham *bridge loan* tidak membayar lebih awal sesuai dengan penjelasan diatas, maka CEPR akan membayar kembali SBL pada tangal penarikan EBL.

CEPR will prepay the bridge loan to shareholders within 3 business days after receipt of loan under Equity Bridge Loan (EBL) Agreement between CEPR and financial institutions. In the case that shareholder bridge loan is not prepaid based on the above, then CEPR will repay the SBL on final EBL drawdown date.

PT Sea Bridge Shipping

Merupakan pinjaman modal kerja dengan tingkat bunga sebesar 9% per tahun dan dibayar setiap tiga bulanan. Pinjaman diberikan dalam beberapa kali.

PT Sea Bridge Shipping

Represents working capital loan with interest at 9% per annum and is paid quarterly. The loans were granted in several tranches.

Untuk pinjaman yang diterima sebelum tahun 2010, pokok pinjaman akan dibayar dalam 16 kali cicilan tiga bulanan mulai tanggal 10 Maret 2011 dan 10 Juni 2011. Untuk tambahan pinjaman modal kerja setelah tahun 2010, pokok pinjaman akan dibayar seluruhnya pada tanggal 21 April 2016. Pada tanggal 7 Maret 2016, perjanjian ini direvisi untuk memperpanjang pembayaran pokok pinjaman sampai dengan 31 Oktober 2017.

For loan received prior to 2010, the principal loan will be paid in 16 quarterly installments starting March 10, 2011 and June 10, 2011. For additional subsequent working capital loans received subsequent to 2010, the principal will be fully paid on April 21, 2016. On March 7, 2016, the agreement was amended to extend principal payment until October 31, 2017.

Pinjaman yang diberikan kepada SBS proporsional sesuai dengan persentase kepemilikan saham masing-masing pemegang saham SBS.

The loans granted to SBS is proportionate with the percentage of ownership of each shareholders of SBS.

Nilai tercatat atas piutang lain-lain dari SBS pada tanggal 31 Desember 2016 dan 31 Desember 2015 berdasarkan jatuh tempo adalah sebagai berikut:

The carrying amount of other accounts receivable from SBS as of December 31, 2016 and December 31, 2015 based on maturity are as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Dalam satu tahun	3.220.000	3.220.000	One year
Pada tahun kedua	-	3.220.000	Two years
Jumlah	3.220.000	6.440.000	Total

Pinjaman Karyawan

Pinjaman karyawan berasal dari pelaksanaan program *"Employee/ Management Stock Allocation"* (ESA).

Pinjaman tersebut mempunyai jangka waktu 36 bulan dengan masa tenggang 6 bulan. Setelah melewati masa tenggang, pinjaman dikenakan bunga 5% per tahun dan diangsur secara bulanan yang dipotong langsung dari gaji atau dari hasil penjualan saham. Saham program ESA dapat dijual dalam periode 1 bulan setelah tanggal efektif.

Employee Loans

Employee loans represent receivables arising from the commencement of "Employee/ Management Stock Allocation" Program (ESA).

The loans have term of 36 months, with a grace period of 6 months. After the grace period, the loans start to bear interest rate per annum at 5% and are repaid through monthly installments, deducted from salary or proceeds from sale of shares. Shares in ESA program can be sold in one-month period after the effective date.

PT Power Jawa Barat (PJB)

PJB merupakan proyek pembangkit listrik tenaga batubara yang berlokasi di Bojonegoro, Banten (dahulu propinsi Jawa Barat) yang dimiliki oleh pihak berelasi dari salah seorang Komisaris Perusahaan dengan bekerjasama dengan pihak ketiga sebelum krisis ekonomi tahun 1998 untuk membangun pembangkit listrik tersebut.

PT Power Jawa Barat (PJB)

PJB is a project for coal-fired power plant located in Bojonegoro, Banten (formerly West Java) owned by related party of one of the Commissioners of the Company, working together with third parties to build such power plant prior to the economic crisis in 1998.

Piutang lain-lain dari PJB terutama merupakan piutang yang berasal dari biaya-biaya PJB yang dibayarkan terlebih dahulu oleh Perusahaan.

Other accounts receivable from PJB mainly represents receivable arising from expenses of PJB paid in advance by the Company.

Sejak tahun 2009, manajemen memutuskan untuk mencadangkan seluruh piutangnya dari PJB setelah mempertimbangkan kondisi proyek yang tidak memiliki perkembangan kemajuan yang berarti.

Since 2009, management decided to provide full provision on its accounts receivable from PJB after considering the condition of the project which has no significant progress.

Penghasilan Bunga dari Piutang Pihak Berelasi

Interest Income on Loans to Related Parties

	Jumlah/*Amount*		Persentase terhadap pendapatan investasi/ *Percentage to total investment income*		
	2016	2015	2016	2015	
	US$	US$			
PT Cirebon Electric Power	1.191.604	5.881.896	23,32%	59,95%	PT Cirebon Electric Power
PT Sea Bridge Shipping	811.359	699.919	15,88%	7,13%	PT Sea Bridge Shipping
PT Cirebon Energi Prasarana	34.583	-	0,68%	-	PT Cirebon Energi Prasarana
Jumlah	2.037.546	6.581.815	39,88%	67,08%	Total

Pendapatan Jasa Management

Pada tahun 2015, MASS menandatangani perjanjian dengan PT Sea Bridge Shipping (SBS) untuk mendukung aktivitas SBS atas 3 unit *floating crane*. Pendapatan jasa manajemen yang diterima oleh MASS di periode 31 Desember 2016 dan 2015 adalah sebesar masing-masing US$ 317.156 dan US$ 93.684, yang dicatat sebagai bagian dari lain-lain bersih pada laporan laba rugi konsolidasian.

Management Fees

In 2015, MASS entered into an agreement with PT Sea Bridge Shipping (SBS) to provide assistance to SBS to support the activity of 3 (three) units floating crane. Management fee received by MASS in December 31, 2016 and 2015 amounted US$ 317,156 and US$ 93,684, respectively, which were recorded as part of others - net in the consolidated profit or loss.

Uang Muka Diterima dari Pihak Berelasi

PT Intan Resource Indonesia memberikan uang muka kepada CIP sehubungan dengan perjanjian pemasaran batubara. Pada tanggal 31 Desember 2016 dan 2015, uang muka yang diterima dari PT Intan Resource Indonesia masing-masing sebesar nihil dan US$ 1.729.954.

Sewa Gedung Kantor

Perusahaan dan beberapa entitas anak menyewa ruangan kantor dari pihak berelasi. Pada tanggal 31 Desember 2016 and 2015, beban sewa gedung kantor yang dibayarkan kepada PT Marmitria Land masing-masing sebesar US$ 1.398.062 dan US$ 1.017.373.

Advance Received from a Related Party

PT Intan Resource Indonesia granted an advance to CIP in relation with the coal marketing agreement. As of December 31, 2016 and 2015, advance received from PT Intan Resource Indonesia amounting to nil and US$ 1,729,954, respectively.

Office Space Rental

The Company and several subsidiaries rent office building from a related party. As of December 31, 2016 and 2015, office space rental expense transaction with PT Marmitria Land amounted to US$ 1,398,062 and US$ 1,017,373, respectively.

50. INFORMASI SEGMEN

PSAK 5 (Revisi 2009) mensyaratkan agar segmen operasi ditentukan berdasarkan laporan internal tentang komponen Perusahaan dan entitas anak yang di-*review* secara berkala oleh pengambil keputusan utama dalam rangka mengalokasikan sumber daya terhadap segmen tersebut dan menilai kinerja segmen tersebut.

Untuk tujuan pelaporan manajemen, Perusahaan dan entitas anak dikelompokkan berdasarkan sumber daya energi, jasa energi dan infrastruktur energi.

Berikut ini adalah operasional menurut setiap segmen yang dapat dilaporkan:

Sumber daya energi

Kideco adalah aset utama Perusahaan dan entitas anak dalam segmen sumber daya energi dan merupakan produsen batubara ketiga terbesar di Indonesia menurut volume produksi. Pada segmen ini, Perusahaan juga didukung oleh MUTU, MEA dan PT Santan Batubara.

Jasa energi

Bisnis utama Perusahaan dan entitas anak pada segmen jasa energi adalah Tripatra dan Petrosea. Melalui Tripatra, Perusahaan memberikan jasa teknik, pengadaan material dan pelaksanaan konstruksi, operasi dan pemeliharaan serta logistik. Melalui Petrosea, Perusahaan memberikan jasa *engineering*, konstruksi dan kontrak pertambangan dengan kemampuan *pit-to-port.*

Infrastruktur energi

Proyek pembangkit listrik berkapasitas 660 megawatt yang terletak di Cirebon, Jawa Barat dan CEPR merupakan investasi Perusahaan dan entitas anak dalam segmen infrastruktur energi. MBSS, PT POSB Infrastructure Kalimantan, PT Sea Bridge Shipping dan PT Contrans Asia turut memberikan kontribusi pada segmen ini.

50. SEGMENT INFORMATION

PSAK 5 (Revised 2009) requires operating segments to be identified on the basis of internal reports on components of the Company and its subsidiaries that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

For management reporting purposes, the Company and its subsidiaries are principally organized based on energy resources, energy services and energy infrastructure.

The following summary describes the operations in each of the reportable segments:

Energy resources

Kideco is the Company and its subsidiaries' core asset in the energy resources sector and is the third largest producer of coal in Indonesia based on production volume. In this segment, the Company are also supported by MUTU, MEA and PT Santan Batubara.

Energy services

The Company and its subsidiaries' two core businesses in the energy services sector are Tripatra and Petrosea. Through Tripatra, the Company an its subsidiaries provide engineering, procurement and construction services, operations and maintenance and logistic services. Through Petrosea, the Company and its subsidiaries provide engineering, construction and contract mining with total pit-to-port capability.

Energy infrastructure

The 660 megawatt power generation plant in Cirebon, West Java and CEPR represent investments in the Company and its subsidiaries energy infrastructure business pillar. MBSS, PT POSB Infrastructure Kalimantan, PT Sea Bridge Shipping and PT Contrans Asia also contributed in this segment.

	31 Desember/*December 31,* 2016					
			US$			
	Jasa Energi/ *Energy Services*	Sumber Daya Energi/ *Energy Resources*	Infrastruktur Energi/ *Energy Infrastructure*	Eliminasi/ *Elimination*	Konsolidasian/ *Consolidated*	
Pendapatan						**Revenues**
Penjualan kepada Pihak Eksternal	425.214.024	217.121.183	132.897.724		775.232.931	External Sales
Penjualan antar segmen	9.568.290	3.980.269	2.110.943	(15.659.502)	-	Inter-segement Sales
Jumlah Pendapatan	434.782.314	221.101.452	135.008.667	(15.659.502)	775.232.931	**Total Revenues**
Hasil segmen	70.133.210	12.762.820	9.002.582	(3.196.787)	88.701.825	**Segment result**
Bagian laba bersih perusahaan asosiasi dan pengendalian bersama entitas	7.027.562	47.559.039	19.452.771	(14.574.879)	59.464.493	Equity in net profit of associates and jointly-controlled entity
Pendapatan investasi	1.655.377	48.695.571	2.066.289	(47.398.261)	5.018.976	Investment income
Beban penjualan, umum dan administrasi	(34.795.914)	(54.480.753)	(17.680.812)	8.139.472	(98.818.007)	Selling, general and administrative expenses
Beban keuangan	(9.903.773)	(93.219.200)	(3.453.006)	46.150.318	(60.425.661)	Finance cost
Penurunan nilai aset	-	-	(30.307.542)	-	(30.307.542)	Impairment of assets
Amortisasi aset tidak berwujud	-	(7.271.403)	(18.718.546)	-	(25.989.949)	Amortization of intangible assets
Beban pajak final	(9.564.467)	(337.436)	(1.055.226)	-	(10.957.129)	Final tax
Lain-lain - bersih	(10.065.408)	(16.958.399)	(11.074.759)	(3.595.423)	(41.693.989)	Others - net
Rugi sebelum pajak	14.486.587	(63.249.761)	(51.768.249)	(14.475.560)	(115.006.983)	Loss before tax
Manfaat (beban) pajak	510.960	1.384.877	8.880.420	-	10.776.257	Tax benefit (expense)
Rugi bersih periode berjalan					(104.230.726)	Loss for the year
			-			
Didistibusikan kepada:						Attributable to:
Pemilik entitas induk					(67.594.082)	Owners of the company
Kepentingan non pengendali					(36.636.644)	Non-controlling interest
Jumlah Rugi Konsolidasian					(104.230.726)	Total Consolidated Loss
Aset segmen	730.583.064	2.407.817.453	433.526.440	(1.749.593.888)	1.822.333.069	**Segment Assets**
Liabilitas Segmen	207.466.034	709.683.598	52.313.470	(186.766.951)	782.696.151	Segment Liabilities
Liabilitas yang tidak dapat dialokasikan	217.000.368	656.888.267	23.705.366	(599.066.651)	298.527.350	Unallocated Liabilities
Jumlah Liabilitas yang dikonsolidasikan	424.466.402	1.366.571.865	76.018.836	(785.833.602)	1.081.223.501	Total Consolidated Liabilities
Informasi lainnya						**Other information**
Penambahan pada aset tetap dan aset tidak berwujud					26.085.212	Additions to property, plant and equipment and intangible assets
Beban penyusutan					82.238.977	Depreciation expense
Amortisasi biaya emisi obligasi					5.843.450	Amortization of bond issuance cost

	31 Desember/*December 31,* 2015 US$					
	Jasa Energi/ *Energy Services*	Sumber Daya Energi/ *Energy Resources*	Infrastruktur Energi/ *Energy Infrastructure*	Eliminasi/ *Elimination*	Konsolidasian/ *Consolidated*	
Pendapatan						**Revenues**
Penjualan kepada Pihak Eksternal	681.127.723	264.478.935	151.689.831	-	1.097.296.489	External Sales
Penjualan antar segmen	17.405.219	802.988	2.057.525	(20.265.732)	-	Inter-segement Sales
Jumlah Pendapatan	698.532.942	265.281.923	153.747.356	(20.265.732)	1.097.296.489	**Total Revenues**
Hasil segmen	47.569.417	19.570.891	24.873.262	(3.683.938)	88.329.632	**Segment result**
Bagian laba bersih perusahaan asosiasi dan pengendalian bersama entitas	-	28.882.334	17.455.749	26.291.076	72.629.159	Equity in net profit of associates and jointly-controlled entity
Pendapatan investasi	2.243.872	50.963.018	6.674.924	(50.070.312)	9.811.502	Investment income
Beban penjualan, umum dan administrasi	(34.641.386)	(57.246.703)	(18.211.529)	6.346.661	(103.752.957)	Selling, general and administrative expenses
Beban keuangan	(10.151.395)	(106.643.931)	(4.187.234)	49.518.112	(71.464.448)	Finance cost
Penurunan nilai aset	(1.208.549)	(53.204.601)	(2.799.652)	-	(57.212.802)	Impairment of assets
Amortisasi aset tidak berwujud	-	(16.495.019)	(18.718.546)	-	(35.213.565)	Amortization of intangible assets
Beban pajak final	(10.896.654)	(88.965)	(4.566.298)	-	(15.551.917)	Final tax
Lain-lain - bersih	(12.479.178)	46.925.412	(9.037.982)	(857.375)	24.550.877	Others - net
Rugi Sebelum Pajak	(19.563.873)	(87.337.564)	(8.517.306)	27.544.224	(87.874.519)	Loss before Tax
Manfaat (beban) pajak	(7.079.603)	12.191.317	6.878.831	(963.054)	11.027.491	Tax benefit (expense)
Rugi bersih periode berjalan					(76.847.028)	Loss for the year
Didistibusikan kepada:						Attributable to:
Pemilik Entitas Induk					(44.587.878)	Owners of the company
Kepentingan non pengendali					(32.259.150)	Non-controlling interest
Jumlah Rugi Konsolidasian					(76.847.028)	Total Consolidated Loss
Aset segmen	819.012.705	2.659.987.082	525.952.755	(1.854.507.331)	2.150.445.211	**Segment Assets**
Liabilitas Segmen	265.724.494	641.712.870	72.239.173	7.847.040	987.523.577	Segment Liabilities
Liabilitas yang tidak dapat dialokasikan	294.590.388	834.907.586	31.393.142	(829.513.890)	331.377.226	Unallocated Liabilities
Jumlah Liabilitas yang dikonsolidasikan	560.314.882	1.476.620.456	103.632.315	(821.666.850)	1.318.900.803	Total Consolidated Liabilities
Informasi lainnya						**Other information**
Penambahan pada aset tetap dan aset tidak berwujud					61.545.502	Additions to property, plant and equipment and intangible assets
Beban penyusutan					88.344.427	Depreciation expense
Amortisasi biaya emisi obligasi					6.353.221	Amortization of bond issuance cost

Segmen Geografis

Perusahaan dan entitas anak domestik terutama beroperasi di Jakarta. Entitas anak di luar Jakarta terutama bergerak di bidang investasi dan pembiayaan. Jumlah aset dan pendapatan usaha entitas anak tersebut tidak material terhadap jumlah aset konsolidasian dan jumlah pendapatan konsolidasian. Dengan demikian, Perusahaan dan entitas anak tidak menyajikan informasi segmen geografis.

Pelanggan dengan transaksi lebih dari 10% dari jumlah pendapatan konsolidasian diungkapkan pada Catatan 35.

Geographic Segment

The Company and its domestic subsidiaries mainly operate in Jakarta. Subsidiaries outside of Jakarta are mainly involved in investment and financing activities. Total assets and revenues from these subsidiaries are not material as compared to the consolidated total assets and consolidated total revenues, respectively. Therefore, the Company and its subsidiaries did not present information on geographical area segments.

Customers which represent more than 10% of the total consolidated revenues are disclosed in Note 35.

51. IKATAN DAN KONTIJENSI

a. Pada tanggal 14 November 2016, Perusahaan menandatangani perjanjian fasilitas *Non Cash Loan* dengan PT Bank Mandiri (Persero) Tbk, yang disahkan dalam akta notaris dari Evelin Gandauli Rajagukguk, notaris di Jakarta.Fasilitas *non cash* mencakup Bank Garansi (BG)/ Standby Letter of Credit (SBLC) dengan batas maksimal sebesar US$ 5 juta dan akan jatuh tempo pada bulan November 2017. Fasilitas ini dapat digunakan untuk jaminan penawaran, jaminan pelaksanaan, garansi uang muka, jaminan pengelolaan dan SBLC yang berhubungan dengan proyek pembangkit listrik di Cirebon.

Provisi untuk penerbitan BG/SBLC menerbitkan iuran sebesar 1% per tahun terhadap jumlah yang diterbitkan.

Bank garansi yang masih bisa digunakan dari fasilitas diatas pada tanggal 31 Desember 2016 sebesar US$ 2.293.247.

b. Pemberi pinjaman, berdasarkan *Common Agreement* dan *Facility Agreement* antara CEP dan pihak terkait lainnya yang didefinisikan sebagai pihak pemberi pinjaman mengharuskan Perusahaan yang bertindak sebagai sponsor, serta III dan IPI sebagai pemegang saham CEP, menandatangani *Equity Support Agreement* tanggal 8 Maret 2010 dengan Mizuho Corporate Bank, Ltd., yang bertindak sebagai *offshore security and administrative agent*, dan menyetujui hal berikut di bawah ini:

1. Sponsor setuju untuk memberikan jaminan pembayaran dan bersedia melakukan pembayaran kepada CEP sebesar 20% dari *unfunded base equity* sesuai dengan *Common Agreement*.

2. Sponsor setuju untuk memberikan jaminan pembayaran dan bersedia melakukan pembayaran kepada CEP sebesar 20% dari *unfunded contingent equity* sesuai dengan *Common Agreement*.

3. Sponsor setuju untuk menerbitkan *letter of credit* untuk jaminan pembayaran bilamana terjadi *force majeure* pada PLN sesuai dengan perjanjian.

4. Sponsor setuju untuk memberikan jaminan pembayaran atas *tax support amount*, sesuai dengan perjanjian.

Perjanjian tersebut mencakup beberapa persyaratan tertentu yang harus dipenuhi oleh Perusahaan.

51. COMMITMENTS AND CONTINGENCIES

a. On November 14, 2016, the Company entered into Non Cash Loan Facility Agreement with PT Bank Mandiri (Persero) Tbk, as notarized by deed of Eveline Gandauli Rajagukguk, a notary public in Jakarta. The Non Cash Facility covers Bank Guarantee (BG)/ Standby Letter of Credit (SBLC) with maximum limit of US$ 5 million and will mature in November 2017. This facility can be used for bid bond, performance bond, down payment guarantee, maintenance bond and SBLC related to power plant projects in Cirebon.

BG/SBLC issuing fee is 1% per annum of the issued amount.

Outstanding used guarantee from the above facility was US$ 2,293,247 as of December 31, 2016.

b. The lenders, pursuant to the Common Agreement and Facility Agreement amongst CEP and certain parties defined as lenders, require the Company as a "sponsor" and III and IPI as shareholders of CEP to enter into Equity Support Agreement dated March 8, 2010 with Mizuho Corporate Bank, Ltd., as offshore security and administrative agent, and agree on the following:

1. Sponsor agrees to guarantee payment of and, shall cause to contribute to CEP 20% of any unfunded base equity required to be contributed to CEP, as specified in the Common Agreement.

2. Sponsor agrees to guarantee payment of and, shall cause to contribute to CEP 20% of any unfunded contingent equity required to be contributed to CEP, as specified in the Common Agreement.

3. Sponsor agrees to issue standby letter of credit to secure payment in the event of PLN force majeure in the amount specified in the agreement.

4. Sponsor agrees to guarantee payment of tax support amount, as defined in the agreement.

The agreement contains certain covenants that the Company is required to fulfill.

Berdasarkan perjanjian *"Share Charge"* tanggal 12 Maret 2010, Perusahaan setuju untuk memberikan jaminan sebagai berikut:

1. Seluruh kepemilikan saham Perusahaan di Indika Power Investment Pte. Ltd. (IPI).

2. Seluruh dividen, bunga dan uang yang dibayar atau terutang lainnya sehubungan dengan seluruh kepemilikan saham Perusahaan di IPI dan seluruh hak, manfaat dan pendapatan lainnya sehubungan dengan atau yang dihasilkan dari seluruh kepemilikan saham Perusahaan di IPI, kepada Mizuho Corporate Bank, Ltd. sebagai *"offshore security agent"* seluruh hak, milik dan kepentingan Perusahaan atas jaminan tersebut diatas, baik saat ini maupun di masa yang akan datang, dalam rangka pembayaran atau pelunasan pinjaman PT Cirebon Electric Power dari Japan Bank untuk International Cooperation termasuk seluruh beban dan biaya untuk mengganti kerugian kepada *offshore security agent.*

Based on Share Charge Agreement dated March 12, 2010, the Company agreed to use the following as collateral:

1. All of the Company's share in Indika Power Investment Pte. Ltd. (IPI).

2. All dividends, interest and other money paid or payable in respect of all of the Company's shares in IPI and all other rights, benefits and proceeds in respect of or derived from all Company's shares in IPI, in favour of Mizuho Corporate Bank, Ltd, as offshore security agent, all its present and future rights, titles and interest in and to the above collateral, and in each case for the payment and discharge of loan of PT Cirebon Electric Power from Japan Bank for International Cooperation including all cost and expenses to indemnify the offshore security agent.

c. Pada tanggal 19 Maret 2010, Perusahaan memperoleh *Standby Letter of Credit* (SBLC) fasilitas dari PT Bank ANZ Indonesia yang telah diperpanjang beberapa kali, terakhir dengan perjanjian tanggal 2 Desember 2015, tetapi berlaku efektif sejak tanggal 30 September 2015. Jumlah pokok pinjaman pada setiap saat tidak boleh melebihi US$ 9.900.000 dan terdiri dari:

1. Fasilitas I

Sub-batas dan mata uang	:	US$ 2.700.000
Jangka waktu	:	Maksimum 13 bulan/ *Maximum 13 Months*
Periode ketersediaan	:	30 September 2015 hingga 30 September 2016/*September 30, 2015 until September 30, 2016*
Biaya penerbitan	:	1,35% per tahun ditambah biaya korespondensi ANZ antara lain ANZ Singapura 0,25% per tahun/*1.35% per annum plus correspondence ANZ's fee among others, 0.25% per annum with ANZ Singapore*

Tujuan:

Untuk menjamin risiko kekurangan pembayaran dari PT Perusahaan Listrik Negara (Persero) (PLN), yang dapat mengakibatkan ketidakmampuan CEP untuk melaksanakan pembangunan pembangkit listrik.

c. On March 19, 2010, the Company obtained Standby Letter of Credit (SBLC) facility from PT Bank ANZ Indonesia, which has been extended several times, most recently by agreement dated December 2, 2015 which effective from September 30, 2015. Maximum aggregate principal of this facility, at any time, amounts to US$ 9,900,000, comprising of the following:

1. Facility I

	:	Sub-limit and currency
	:	Tenor
	:	Availability period
	:	Issuance Fee

Purpose:

To cover the risk of insufficient payment from PT Perusahaan Listrik Negara (Persero) (PLN), that may result in CEP unable to commission the power plant.

2. Fasilitas II

Sub-batas dan mata uang	:	US$ 7.200.000
Jangka waktu	:	Maksimum 13 bulan/ *Maximum 13 months*
Periode ketersediaan	:	30 September 2015 hingga 30 September 2016/*September 30, 2015 until September 30, 2016*
Biaya penerbitan	:	1,35% per tahun ditambah biaya korespondensi ANZ antara lain ANZ Singapura 0,25% per tahun/*1.35% per annum plus correspondence ANZ's fee among others 0.25% per annum with ANZ Singapore*

Tujuan:

Untuk menjamin bagian pro rata Perusahaan dari *Debt Service Reserve Requirement* berdasarkan fasilitas pembiayaan proyek CEP sebesar US$ 595.000.000.

Fasilitas tersebut di atas mencakup persyaratan tertentu yang harus dipenuhi oleh Perusahaan, termasuk ketentuan mengenai peristiwa yang berakibat gagal bayar.

Pada tanggal 31 Desember 2016 dan 2015, jumlah fasilitas yang telah dipakai masing-masing adalah sebesar nihil dan US$ 2.465.449.

2. Facility II

	:	Sub-limit and currency
	:	Tenor
	:	Availability period
	:	Issuance Fee

Purpose:

To ensure the Company's pro rata share of the Debt Service Reserve Requirement under CEP's US$ 595,000,000 project financing facility.

The agreement covering the above facility contain certain covenants, which the Company is required to fulfill, including provision regarding events of default.

As of December 31, 2016 and 2015 the amount of facility was utilized were each nil and US$ 2,465,449, respectively.

d. IIC memperoleh fasilitas kredit sebagai berikut:

d. IIC obtained the following credit facilities:

Entitas/ *Entities*	Tanggal berlaku/ *Effective date*	Pemberi Fasilitas/ *Grantor facilties*	Pagu fasilitas/ *Credit limits*	Jaminan/ *Guarantee*	Masa berlaku/ *Valid Date*
PT Indika Inti Corpindo	11 Juli 2008/ *July 11,2008*	DBS Bank Ltd.	US$ 50.000.000	Jaminan deposito/ *Time deposit guarantee*	2019
	20 Oktober 2008/ *October 20,2008*	DBS Bank Ltd.	US$ 9.090.969	Jaminan deposito/ *Time deposit guarantee*	2019

Pada tanggal 31 Desember 2016, IIC belum menggunakan fasilitas ini.

As of December 31, 2016, IIC has not utilized the facility.

e. TPEC mempunyai komitmen untuk melaksanakan pekerjaan konstruksi dan jasa konsultasi konstruksi diantaranya sebagai berikut:

e. TPEC has construction work and construction consultant services commitments with several customers as follows:

No.	Nama proyek/ *Project*	Nilai kontrak/ *Contract value*		Pemberi kerja/ *Owner*	Tenggang waktu/ *Period expected*	
					Mulai proyek/ *Start of project*	Selesai proyek/ *End of project*
1	EPC-1: Production Processing Facilities	US$	1.230.000.000	ExxonMobil Cepu Ltd	5 Agustus 2011/ *August 5, 2011*	26 Pebruari 2017/ *February 26, 2017*
	Pekerjaan ini dilakukan oleh konsorsium PT Tripatra Engineers and Constructors dan Samsung Engineering Co. Ltd./ *The project managed by the consortium of PT Tripatra Engineers and Constructors and Samsung Engineering Co. Ltd.*					
2	Engineering, Procurement, and Construction	US$	577.371.682	JOB Pertamina - Medco E&P Tomori Sulawesi	17 September 2012/ *September 17, 2012*	31 Maret 2017/ *March 31, 2017*
3	Provision & Installation of Newly Built Barge Floating Production Unit (Hull, Topside and Mooring System)	US$	1.123.716.499	Eni Muara Bakau B.V.	28 Februari 2014/ *February 28, 2014*	28 Januari 2017/ *January 28, 2017*
4	Onshore LNG Engineering, Procurement and Construction (EPC) Contract for Tangguh Expansion Project	US$ IDR EUR JPY	1.546.685.360 8.516.919.665.610 177.634.130 7.403.015.030	BP Berau Ltd	25 Agustus 2016/ *August 25, 2016*	24 Oktober 2020/ *October 24, 2020*

f. TPEC memperoleh fasilitas kredit dari PT Bank Mandiri (Persero) Tbk, sebagai berikut:

f. TPEC obtained credit facilities from PT Bank Mandiri (Persero) Tbk as follows:

Fasilitas/ *Facility*	Informasi/ *Information*	Nilai/ *Amount*
Kredit Modal Kerja/ *Working Capital Loan*	• Fasilitas maksimum/ *Maximum facility*	US$ 35.000.000
	• Tingkat bunga per tahun/ *Interest rate per annum*	6%
	• *Structuring fee* / *Structuring fee*	US$ 50.000
Pinjaman *non cash* / *Non cash loan*	• Fasilitas maksimum/ *Maximum facility*	US$ 235.000.000
	• Jenis/ *Type*	Bank garansi, *Letter of credit* / *Bank guarantee, Letter of credit*
	• *Structuring fee* / *Structuring fee*	US$ 80.000
	• Biaya penerbitan bank garansi/ *Provision for bank guarantee*	1% - 1,25%
	• Biaya penerbitan SKBDN (*Letter of Credit*)/ *Provision for letter of credit*	0,125% datar/ *flat*

Fasilitas tersebut di atas jatuh tempo pada tanggal 4 Nopember 2017 dan dijamin dengan piutang usaha tagihan sebesar Rp 197,22 miliar dan US$ 181,25 juta (Catatan 7), deposito berjangka sebesar US$ 2,15 juta pada bank yang sama (Catatan 6), dan sertifikat tanah dan bangunan HGB No. 1545 dan 1576 (Catatan 20).

The above credit facilities are due on November 4, 2017 and secured by trade accounts receivable project claim in the amount of Rp 197.22 billion and US$ 181.25 million (Note 7), time deposit placed at the same bank amounting to US$ 2.15 million (Note 6), and land and buildings with HGB Numbers 1545 and 1576 (Note 20).

Fasilitas kredit modal kerja yang terpakai pada tanggal pelaporan sebesar US$ 35 juta.

The used credit facilities at the reporting date amounted to US$ 35 million of working capital loan.

Tanpa persetujuan tertulis dari bank, TPEC dibatasi antara lain untuk: mengalihkan aset yang telah diagunkan, memperoleh pinjaman baru dari lembaga keuangan lain kecuali dalam rangka usaha normal, bertindak sebagai penjamin pihak lain, mengalihkan hak atau kewajiban atas pinjaman ini kepada pihak lain. TPEC juga disyaratkan untuk memenuhi rasio keuangan yang disebutkan dalam perjanjian.

TPEC is restricted to, among other things: transfer assets used as collateral, obtain new credit facilities from other financial institutions except in the normal course of business, act as guarantor to other parties, and transfer its rights and obligations in this loan agreement to another party without written consent from the bank. TPEC is also required to maintain financial ratios as stipulated in the agreement.

Fasilitas di atas juga dapat digunakan oleh TPE.

The above facilities may also be used by TPE.

g. TPEC memperoleh fasilitas kredit dari The Hongkong and Shanghai Banking Corporation Limited sebagai berikut:

1. Fasilitas limit gabungan sebesar US$ 100 juta untuk sub-limit dalam fasilitas berikut:

Fasilitas/ *Facility*	Informasi/ *Information*	Nilai/ *Amount*
Kredit Berdokumen/ *Documentary Credit*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 20.000.000 0,25% per kwartal, minimal US$ 50/ *0.25% per quarter, minimum US$ 50*
Kredit Berdokumen dengan Pembayaran Tertunda/ *Deferred Payment Credit*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 20.000.000 0,25% per kwartal, minimal US$ 50/ *0.25% per quarter, minimum US$ 50*
Pembiayaan *Impor 1* / *Clean Import Loan 1*	• Fasilitas maksimum/ *Maximum facility* • Bunga/ *Interest*	US$ 25.000.000 6,5% per tahun/ *6.5% per annum*
Bank Garansi/ *Bank Guarantee*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 100.000.000 *) 0,75% per tahun, minimal US$ 50/ *0.75% per annum, minimum US$ 50*
terdiri dari/ *consist of:* (i) Jaminan penawaran/ *Tender Bonds*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 100.000.000 0,75% per tahun, minimal US$ 50/ *0.75% per annum, minimum US$ 50*
(ii) Jaminan pelaksanaan/ *Performance bonds*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 100.000.000 0,75% per tahun, minimal US$ 50/ *0.75% per annum, minimum US$ 50*
(ii) Jaminan Pembayaran di Depan/ *Advance Payment Bonds*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 100.000.000 0,75% per tahun, minimal US$ 50/ *0.75% per annum, minimum US$ 50*

*) Perjanjian ini dalam proses amandemen, termasuk didalamnya batas fasilitas menjadi US$ 35.000.000/
The agreement is in the process of amendment, including limit facility to become to US$ 35,000,000

2. Fasilitas *Treasury* dengan limit pemaparan risiko (tertimbang) sebesar US$ 5 juta

Fasilitas kredit tersebut jatuh tempo pada tanggal 1 Juli 2017.

TPEC diharuskan tetap menjaga current ratio minimum 1,0 kali, dan menjaga gearing ratio maksimum 1,0 kali. TPEC juga diharuskan untuk menjaga saldo kas sebesar US$ 5 juta setiap akhir tahun.

g. TPEC obtained the following credit facilities from The Hongkong and Shanghai Banking Corporation Limited:

1. Combined limit amounting to US$ 100 million with sub limits under this facility are:

2. Treasury Facility with expose risk limit amounting to US$ 5 million

The above credit facilities will be due on July 1, 2017.

TPEC shall maintain its current ratio at a minimum of 1.0 times and gearing ratio at a maximum of 1.0 times. TPEC shall also maintain a minimum cash balance of US$ 5 million at the end of the fiscal year.

h. TPEC memperoleh fasilitas kredit dari Standard Chartered Bank sebagai berikut:

Fasilitas/ *Facility*	Informasi/ *Information*	Nilai/ *Amount*
Jaminan dan Garansi/ *Bond and Guarantee*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 15.000.000 0,20% per kwartal, maksimum jangka waktu sampai 36 bulan/ *0.20% per quarter, maximum tenor up to 36 months.*
terdiri dari/ *consist of:*		
(a) *Letter of Credit* Impor/ *Import Letter of Credit*	• Fasilitas maksimum/ *Maximum facility* • Komisi/ *Commissions*	US$ 15.000.000 0,20% per kwartal/ *0.20% per quarter*
(b) Pinjaman impor/ *Import loans*	• Fasilitas maksimum/ *Maximum facility* • Bunga/ *Interest*	US$ 15.000.000 3% per tahun/ *3% per year*
(c) Pembiayaan faktur impor/ *Import invoice financing*	• Fasilitas maksimum/ *Maximum facility* • Bunga/ *Interest*	US$ 15.000.000 3% per tahun, diatas *cost of fund* bank/ *3% per year, above bank's cost of fund*
(d) Pembiayaan faktur ekspor/ *Export invoice financing*	• Fasilitas maksimum/ *Maximum facility* • Bunga/ *Interest*	US$ 15.000.000 3% per tahun, diatas *cost of fund* bank/ *3% per year, above bank's cost of fund*
(e) Jaminan pengiriman/ *Shipping guarantee*	• Fasilitas maksimum/ *Maximum facility* Biaya/ *Fee*	US$ 10.000.000 US$ 25 per item/ *US$ 25 per item*

Fasilitas *letter of credit import*, fasilitas *import loan*, fasilitas *import* dan *export invoice financing*, dan fasilitas *shipping guarantees*, diperlakukan sebagai sub fasilitas dari fasilitas *bond* dan jaminan. Oleh karena itu, jumlah pinjaman gabungannya tidak melebihi US$ 15 juta.

The import letter of credit facility, import loans facility, import and export invoice financing facility and shipping guarantee facility are treated as a sub-limit of the bond and guarantee facilities. Therefore, the combined loan outstanding are not to exceed US$ 15 million.

Fasilitas kredit tersebut jatuh tempo pada tanggal 28 Pebruari 2017 dan dalam proses perpanjangan.

The above credit facilities were due on February 28, 2017 and currently in the process of extention.

TPEC diharuskan tetap menjaga current ratio minimum 1,0x, dan menjaga debt to equity ratio maksimum 1,0x.

TPEC shall maintain its current ratio at a minimum of 1.0x and debt to equity ratio at a maximum of 1.0x

Fasilitas di atas juga tersedia untuk TPE sampai dengan batas maksimum US$ 10 juta untuk semua fasilitas.

In addition, the above facilities are also available to TPE up to the maximum sub-limit of US$ 10 million for all facilities.

i. TPEC menandatangani beberapa perjanjian jaminan dengan beberapa lembaga keuangan berkaitan dengan jaminan pelaksanaan dan bank garansi yang diterbitkan oleh lembaga keuangan tersebut untuk proyek-proyek TPEC sebagai berikut:

i. TPEC entered into several guarantee agreements with several financial institutions in relation to the performance and bank guarantees issued by those financial institutions for TPEC's projects, as follows:

Tanggal/ *Date*	Pihak terkait/ *Counter parties*	Pemilik proyek/ *Project owner*	Jumlah/ *Amount*		Masa berlaku/ *Valid date*
5 Agustus 2011/ *August 5, 2011*	PT Bank Mandiri (Persero) Tbk	Mobil Cepu Ltd	US$	98.981.070	26 Pebruari 2017 / *February 26, 2017*
26 September 2012/ *September 26, 2012*	PT Bank Mandiri (Persero) Tbk	JOB Pertamina-Medco E&P Tomori Sulawesi	US$	28.696.050	31 Maret 2017/ *March 31, 2017*
27 Februari 2014/ *February 27, 2014*	PT Bank Mandiri (Persero) Tbk	Eni Muara Bakau B.V.	US$	33.099.836	31 March 2017/ *March 31, 2017/*
4 April 2014/ *April 4, 2014*	Hongkong and Shanghai Banking Corporation Limited	Eni Muara Bakau B.V.	US$	8.886.295	31 Agustus 2017/ *August 31, 2017*
29 Oktober 2014/ *October 29, 2014*	PT Bank Mandiri (Persero) Tbk	BP Berau Ltd.	US$	773.663	5 April 2017/ *April 5, 2017*
30 Maret 2016/ *March 30, 2016*	PT Bank Mandiri (Persero) Tbk	JOB Pertamina-Medco E&P	US$	28.860.150	31 Maret 2017/ *March 31, 2017*
25 Agustus 2016/ *August 25, 2016*	PT Bank Mandiri (Persero) Tbk	BP Berau Ltd.	US$	51.539.486	24 Oktober 2020/ *October 24, 2020*
30 November 2016/ *November 30, 2016*	PT Bank Mandiri (Persero) Tbk	PT Perkebunan Nusantara X	US$	372.135	19 April 2017/ *April 19, 2017*

j. TPE mempunyai komitmen untuk melaksanakan pekerjaan jasa konsultasi konstruksi sebagai berikut:

j. TPE has consultant services commitment for construction work as follows:

Nama proyek/*Name of project*	Nilai kontrak/ *Contract value*		Pemberi kerja/ *Owner*	Periode proyek/ *Project period* Mulai/ *Start of project*	Selesai/ *End of project*
Front End Engineering Design for Aset Integrity Program	US$	5.591.934	PT Chevron Pacific Indonesia	3 Desember 2012/ *December 3, 2012*	2 Desember 2017/ *December 2, 2017*
Technical Service Contract for Project Engineering & Construction Management Services	US$	21.835.778	PT Pertamina Hulu Energi ONWJ	1 Maret 2013/ *March 1, 2013*	28 Pebruari 2017/ *February 28, 2017*

k. TPE menandatangani beberapa perjanjian jaminan dengan beberapa lembaga keuangan berkaitan dengan jaminan pelaksanaan atau bank garansi yang diterbitkan oleh lembaga keuangan tersebut untuk proyek-proyek TPE sebagai berikut:

k. TPE entered into several guarantee agreements with several financial institutions in relation to the performance bonds or bank guarantees, issued by those financial institutions for TPE's projects, as follows:

Tanggal/Date	Pihak terkait/ Counter party	Jumlah/Amount		Proyek/Project	Masa berlaku/ Valid Date
3 Desember 2012/ *December 3, 2012*	PT Bank Mandiri (Persero) Tbk	US$	286.007	PT Chevron Pacific Indonesia	2 Maret 2018/ *March 2, 2018*
1 Maret 2013/ *March 1, 2013*	PT Bank Mandiri (Persero) Tbk	US$	165.159	PT Pertamina Hulu Energi ONWJ	30 April 2017/ *April 30, 2017*
11 Juli 2013/ *July 11, 2016*	PT Bank Mandiri (Persero) Tbk	US$	63.263	PT Chevron Pacific Indonesia	4 Juli 2017/ *July 4, 2017*
5 September 2016/ *September 5, 2016*	PT Bank Mandiri (Persero) Tbk	US$	743.609	PT Chevron Pacific Indonesia	5 Maret 2017/ *March 5, 2017*
22 September 2016/ *September 22, 2016*	PT Bank Mandiri (Persero) Tbk	US$	96.755	PT Pertamina Hulu Energi ONWJ	31 Maret 2017/ *March 31, 2017*
27 September 2016/ *September 27, 2016*	PT Bank Mandiri (Persero) Tbk	US$	40.935	ExxonMobil Cepu Limited	27 Januari 2017/ *January 27, 2017*
3 Oktober 2016/ *October 3, 2016*	PT Bank Mandiri (Persero) Tbk	US$	2.977	PT Hexindo Gemilang Jaya	1 Pebruari 2017/ *February 1, 2017*

l. Pada tanggal 1 Januari 2005, Petrosea mengadakan Subkontrak Pengupasan Tanah dengan PT Gunung Bayan Pratama Coal (GBP) di lokasi tambang di daerah Muara Pahu, Kalimantan Timur. Berdasarkan subkontrak ini, Petrosea menyediakan tenaga kerja, peralatan dan fasilitas untuk pembukaan lahan, penggalian lapisan atas tanah dan material buangan, dan pengangkutan material buangan. Petrosea juga diharuskan untuk memenuhi tingkat produksi minimum tertentu untuk aktivitas tersebut.

Petrosea dan GBP telah sepakat melanjutkan diskusi dengan itikad baik untuk mencapai penyelesaian dalam pengakhiran kontrak OB ini. Pada tanggal 28 Desember 2015, pengakhiran dari perjanjian telah disepakati dan ditandatangani oleh kedua belah pihak.

l. On January 1, 2005, Petrosea entered into an Overburden Subcontract agreement with PT Gunung Bayan Pratama Coal (GBP) at its mine sites in Muara Pahu districts, East Kalimantan. Under this subcontract, Petrosea provides labour, equipment and facilities for land clearing, overburden and top soil removal, and overburden hauling. Petrosea is also required to meet certain minimum production requirements for these activities.

Petrosea and GBP are committed to continue discussion with good faith to attain the settlement of the OB Contract termination. On December 28, 2015, termination agreement has been reached and signed by both parties.

m. Pada tanggal 31 Desember 2016 dan 2015, Petrosea mempunyai beberapa fasilitas bank garansi yang terpakai dalam rangka operasi Petrosea masing-masing sebesar US$ 17,098 dan US$ 20.133 ribu. Pada tanggal 31 Desember 2016 dan 2015, bank garansi tersebut dikeluarkan untuk Total E&P Indonesie, Anadarko Indonesia Nunukan Company, Eni Muara Bakau B.V., Chevron Indonesia Company, Salamander Energy Pte Ltd., Niko Resources Ltd., ExxonMobil Cepu Limited, Pearloil (Sebuku) Limited, dan PT Saka Indonesia Sesulu, PT Indonesia Bulk Terminal, Direktorat Jenderal Bea dan Cukai dan Krisenergy Kutaei B.V.

m. As of December 31, 2016 and 2015, Petrosea had various outstanding used bank guarantee facilities for Petrosea operations amounting to US$ 17,098 thousand and US$ US$ 20,133 thousand, respectively. As of December 31, 2016 and 2015, the bank guarantees were outstanding to Total E&P Indonesie, Anadarko Indonesia Nunukan Company, Eni Muara Bakau B.V., Chevron Indonesia Company, Salamander Energy Pte Ltd., Niko Resources Ltd., ExxonMobil Cepu Limited, Pearloil (Sebuku) Limited, and PT Saka Indonesia Sesulu, PT Indonesia Bulk Terminal, Direktorat Jenderal Bea dan Cukai and Krisenergy Kutaei B.V.

n. Pada tanggal 16 Januari 2009, Petrosea mengadakan perjanjian Pengupasan Tanah Tertutup dan Pertambangan Batubara di Blok Santan - Separi Kalimantan Timur senilai US$ 250 juta dengan PT Santan Batubara (SB), sebuah proyek kerjasama 50/50 antara Petrosea dan PT Harum Energy Tbk. Lingkup perjanjian mencakup pemindahan tanah penutup dan penambangan batubara di Blok Santan - Separi Kalimantan Timur. Perjanjian ini berlaku untuk lima tahun sejak tanggal 6 Maret 2009.

Pada tanggal 16 Pebruari 2011, kontrak direvisi melalui Adendum No. 1 yang meningkatkan jumlah yang harus ditambang dari 99 juta BCM pengupasan tanah dan 9,5 juta ton batubara selama periode kontrak awal 5 tahun menjadi 155 juta BCM pengupasan tanah dan 14,8 juta ton batubara dalam masa 7 tahun.

Pada tanggal 2 Maret 2012, perjanjian tersebut telah direvisi yang mencakup antara lain, Perluasan dan Perpanjangan Kontrak Jasa Pertambangan di area pertambangan Separi dan Uskap dimana Petrosea juga akan menyediakan jasa pertambangan untuk pit Uskap.

Petrosea dan SB menandatangani Perjanjian Penyewaan Alat Berat di lokasi Separi dan Uskap, Kalimantan Timur. Perjanjian ini dimulai pada tanggal 1 September 2012.

Sejak Maret 2014 aktivitas pengupasan tanah penutup di lokasi Santan telah ditangguhkan. SB mengevaluasi sejumlah alternatif untuk mempertahankan nilai maksimum di SB, karena kualitas cadangan batubaranya yang tinggi. Aktivitas akan mulai aktif kembali pada saat harga batubara membaik.

Berdasarkan perjanjian Expanded and Restated Contract for Mining tertanggal 2 Maret 2012 antara Petrosea dan Santan Batubara (SB), Petrosea diminta melakukan beberapa pekerjaan untuk melakukan pengupasan tanah penutup di wilayah tambang SB yang berlokasi di Kalimantan. Dalam hal terjadinya keterlambatan, gangguan atau penghentian untuk sebagian atau seluruh pekerjaan yang disebabkan oleh SB atau pihak ketiga, termasuk, namun tidak terbatas pada kegagalan untuk mengkompensasi pemilik tanah secara tepat waktu atau jika terjadi penurunan produktivitas peralatan akibat permasalahan di luar kendali Petrosea tetapi dalam kendali SB, kedua belah pihak harus bertemu dan bernegosiasi dengan itikad baik untuk menentukan apabila terdapat biaya tambahan ke Petrosea jika keterlambatan gangguan atau penghentian tersebut mempengaruhi biaya dan pengeluaran Petrosea. Pada tahun 2013, terdapat gangguan atas pekerjaan Petrosea sesuai dengan surat yang diterima dari SB No. 032/PTSB/II/2013 tertanggal 27 Pebruari 2013.

n. On January 16, 2009, Petrosea entered into Overburden Removal and Coal Recovery and Loading of Santan - Separi Mine Site East Kalimantan agreement amounting to US$ 250 million with PT Santan Batubara (SB), a 50/50 joint venture between Petrosea and PT Harum Energy Tbk. The scope encompasses overburden removal and coal mining at Santan - Separi block in East Kalimantan. This agreement is effective for five years starting on March 6, 2009.

On February 16, 2011, the contract was amended under Addendum No. 1 which increased the total quantities to be mined from 99 million BCM of overburden and 9.5 million ton of coal over the initial contract period of 5 years to 155 million BCM of overburden and 14.8 million tons of coal over 7 years period.

On March 2, 2012, the agreement was amended, which include among others, the Contract Expansion and Extension of Mining Services at Separi and Uskap mining areas, in which Petrosea will also provide mining service for Uskap pit.

Petrosea and SB entered into Rental Agreement of Heavy Equipment at Separi and Uskap site, East Kalimantan, commecing on September 1, 2012.

Starting March 2014, the overburden removal activity at Santan site has been suspended. SB is evaluating alternatives for conserving maximum value in SB, as the coal quality in this deposit is high. The activity will be recommenced once coal prices improve.

Based on the Expanded and Restated Contract for Mining dated March 2, 2012 between Petrosea and SB, Petrosea is to perform certain works to undertake the overburden removal at the coal mine owned by SB in Kalimantan. In the event of any delay, disruption or stoppage to any part of or the entire works caused by SB or a third party, including, but not limited to the failure to compensate land owners in a timely or if equipment productivities are negatively affected due to issues beyond Petrosea's reasonable control but within SB's reasonable control, both parties shall meet and negotiate in good faith to establish should there be any additional charge due to Petrosea if such delay, disruption or stoppage commercially affect its costs and expenses. In 2013, there was disruption in the works of Petrosea through the letter No. 032/PTSB/II/2013 dated February 27, 2013 received from SB.

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, Petrosea dan SB masih mendiskusikan dan belum menentukan ada tidaknya biaya tambahan tersebut sehingga belum tersedia dasar yang andal untuk besarnya biaya tambahan.

As of the issuance date of the consolidated financial statements, Petrosea and SB are in discussions and are yet to establish if there will be any additional charge due to Petrosea.

o. Pada tanggal 22 Oktober 2010, Petrosea dan PT Kideco Jaya Agung, pihak berelasi, menandatangani Perjanjian Pengupasan Tanah Tertutup dan Pertambangan Batubara senilai US$ 216 juta di SM Popor, Area Suara, Kalimantan Timur. Perjanjian ini efektif mulai 1 Januari 2011 untuk jangka waktu lima tahun.

Pada tanggal 10 Mei 2013, Petrosea dan PT Kideco Jaya Agung menandatangani Perjanjian Sewa Alat Berat di wilayah SM Popor, Tambang Pasir, Kalimantan Timur.

Pada tanggal 28 Oktober 2013, kontrak direvisi melalui Addendum No. 2 yang meningkatkan jumlah pengupasan tanah yang harus ditambang untuk tahun 2014 dan 2015 menjadi masing-masing 35 juta BCM dengan target volume 44 juta BCM.

Pada tanggal 31 Desember 2014, Perjanjian Pengupasan Tanah Tertutup dan Pertambangan Batubara direvisi melalui Addendum 3 yang mencakup antara lain mengenai perpanjangan tanggal berakhirnya kontrak dari tanggal 31 Desember 2015 menjadi tanggal 31 Desember 2018 dan perubahan tarif untuk tahun 2015.

Pada tanggal 7 Desember 2016, perjanjian Pengupasan Tanah Tertutup di revisi melalui addendum No. 4 yang mencakup antara lain mengenai perpanjangan kontrak dan mengubah harga menjadi rupiah untuk pengupasan tanah tertutup. Pada tanggal tersebut, perjanjian Sewa Alat juga direvisi melalui addendum No. 1 yang mencakup antara lain mengenai perpanjangan kontrak dan mengubah harga menjadi rupiah untuk sewa alat.

o. On October 22, 2010, Petrosea and PT Kideco Jaya Agung, a related party, entered into a Waste Removal & Coal Production Agreement amounting to US$ 216 million at SM Popor, Suara Area, East Kalimantan. This agreement is effective for five years commencing on January 1, 2011.

On May 10, 2013, Petrosea and PT Kideco Jaya Agung entered into Rental Agreement of Heavy Equipment at SM Popor Area, Tambang Pasir, East Kalimantan.

On October 28, 2013, the contract was amended under Addendum No. 2 which increased the total quantities to be mined in 2014 and 2015 to 35 million BCM of overburden, respectively with a targeted volume of 44 million BCM.

On December 31, 2014, the Waste Removal & Coal Production Agreement was amended under Addendum No. 3, which include among others, the extentions of expiration date of the contract from December 31, 2015 to December 31, 2018 and regarding changes of rate for year 2015.

On December 7, 2016, the Waste Removal and Coal Production agreement was amended under addendum No. 4, which include among others, the extention of expiration date of the contract and price changes to rupiah currency for waste removal and coal. On that date, production the Equipment Rental agreement was also amended under addendum No. 1, which include among others, the extention of expiration date of contract and price changes to rupiah currency for equipment rental.

p. Pada tanggal 25 Juni 2001, Petrosea menandatangani perjanjian sewa menyewa tanah milik Pertamina di Tanjung Batu, Balikpapan, dengan Pertamina UP V Balikpapan. Berdasarkan perjanjian ini, Petrosea menyewa aset yang berupa tanah seluas 89 ha, bangunan Dermaga dan gudang yang terletak di Tanjung Batu, Balikpapan. Perjanjian ini berlaku 15 tahun terhitung mulai tanggal 1 Pebruari 2001 sampai dengan 1 Pebruari 2016.

Petrosea telah menerima surat dari Pertamina tanggal 1 Pebruari 2016, dimana Pertamina pada prinsipnya setuju untuk melakukan perjanjian baru untuk memperpanjang sewa lahan Tanjung Batu yang akan berakhir pada 1 Pebruari 2021.

p. On June 25, 2001, Petrosea entered into a lease agreement of Pertamina's land in Tanjung Batu, Balikpapan, with Pertamina UP V Balikpapan. Based on this agreement, Petrosea rents an 89 ha land area, Jetty and warehouse located at Tanjung Batu, Balikpapan. This agreement is valid for 15 years from February 1, 2001 until February 1, 2016.

Petrosea has received a letter from Pertamina dated February 1, 2016, wherein Pertamina has agreed to enter into a new agreement to extend Tanjung Batu land rental which is up for expiry on February 1, 2021.

q. Pada tanggal 27 Juni 2014, Petrosea dan PT Indonesia Pratama menandatangani Perjanjian Jasa Pemindahan Tanah Tertutup, Pertambangan Batubara, Penyewaan Alat Berat, dan Transportasi Batubara di site Tabang, Kutai Kartanegara - Kutai Timur, Kalimantan Timur. Perjanjian ini berlaku mulai 1 Oktober 2014 untuk jangka waktu tujuh tahun dengan total volume pengupasan tanah sebesar 71,8 juta BCM dan total batubara sebesar 65,5 juta ton.

Pada tanggal 30 Juni 2014, Perjanjian Penyewaan Alat Berat direvisi melalui *Addendum* nomor 1 yang mencakup tentang manajemen proyek, perencanaan tambang, survei, pengawasan, keamanan *site*, material, peralatan, pemeliharaan peralatan, tenaga kerja, transportasi, pelayanan kesehatan, barang konsumsi, kesehatan dan keselamatan kerja, lingkungan, dan infrastruktur lokasi.

q. On June 27, 2014, Petrosea and PT Indonesia Pratama entered into Open Pit Overburden Mining Services, Equipment Rental Agreement, and Coal Transportation Services Pit to ICF and Run of Mine Stockpiles Agreement at Tabang site, Kutai Kartanegara – East Kutai, East Kalimantan. This agreement is effective for seven years starting on October 1, 2014 with total overburden volume of 71.8 million BCM and 65.5 million tonnes of coal.

On June 30, 2014, the Equipment Rental Agreement was amended under Addendum No. 1 regarding project management, mine planning, surveying, supervision, site security, materials, equipment, equipment maintenance, labour, transportation, medical services, consumables, occupational health and safety, environmental, and site infrastructure.

r. Pada tanggal 22 Juni 2015, Petrosea dan PT Indonesia Bulk Terminal menandatangani Perjanjian Pekerjaan Perbaikan dan Konstruksi atas Konveyor Bongkar Muat di IBT Terminal Pulau Laut Kalimantan, dengan nilai proyek sebesar US$ 7,8 juta. Pada tanggal 10 Desember 2015, Petrosea telah menyelesaikan kontrak lebih cepat dari jadwal.

r. On June 22, 2015, Petrosea and PT Indonesia Bulk Terminal have signed an agreement for the repair and construction of a damaged inloading coal sea conveyors at IBT Terminal Pulau Laut Kalimantan with a project value of US$ 7.8 million. On December 10, 2015, Petrosea has completed the contract earlier than scheduled.

s. Pada tanggal 23 Juli 2013, Petrosea dan Chevron Indonesia Company menandatangani Perjanjian Kontrak Sewa dan Operasi Shore Base. Kontrak ini untuk mendukung pelaksanaan Proyek Laut Dalam Indonesia (IDD) dan kontrak ini di lakukan melalui fasilitas Pangkalan Logistik Lepas Pantai Petrosea (POSB) yang berada di Tanjung Batu, Kalimantan timur. Perkiraan nilai kontrak adalah US$ 27 juta dan berlaku efektif selama lima tahun sampai dengan tahun 2018.

s. On July 23, 2013, Petrosea and Chevron Indonesia Company entered into Shore Base Lease and Operation Contract. This contract is to support the Indonesia Deep water Development (IDD) Project and this contract is executed through Petrosea Offshore Supply Base (POSB) facility at Tanjung Batu, East Kalimantan. Estimated value of the contract is US$ 27 million and effective for five years until year 2018.

t. Pada tanggal 30 April 2015, Petrosea dan PT Maruwai Coal (BHP Billiton) telah menandatangani kontrak untuk konstruksi atas akses jalan ke Proyek Batubara Lampunut, Kalimantan Tengah. Nilai kontrak adalah US$ 21,5 juta untuk jangka waktu setahun.

Pada tanggal 7 Maret 2016, Petrosea dan BHP Biliton mengadakan perjanjian penyelesaian dan revisi nilai kontrak menjadi US$ 15 juta. Petrosea telah menyelesaikan kontrak tersebut

t. On April 30, 2015, Petrosea and PT Maruwai Coal (BHP Billiton) have signed a contract for the construction of an Lampunut Coal Project in Central Kalimantan. The contract value is US$ 21.5 million for a period of one year.

On March 7, 2016, Petrosea and BHP Biliton entered into settlement agreement and revised the value of contract amounting to US$ 15 million. Petrosea has completed this contract

u. Pada tanggal 26 Juli 2012, jumlah fasilitas bank garansi dari HSBC, Jakarta ditingkatkan menjadi sebesar US$ 15 juta dari awalnya sebesar US$ 9 juta, untuk mendukung rencana Petrosea untuk mendapatkan pertumbuhan yang kuat dengan perolehan proyek baru.

Pada tanggal 10 Agustus 2015, Petrosea dan HSBC, Jakarta menyetujui untuk memperpanjang fasilitas sampai dengan 30 Juni 2018.

u. On July 26, 2012 the amount of bank guarantee facility from HSBC, Jakarta is increased to US$ 15 million from the beginning of US$ 9 million, to support Petrosea's plan to pursue substantial growth by securing new projects.

On August 10, 2015, Petrosea and HSBC, Jakarta agreed to extend the facility until June 30, 2018.

Pada tanggal 31 Desember 2016 dan 31 Desember 2015, Petrosea mempunyai saldo bank garansi yang terpakai dari HSBC, Jakarta masing-masing sebesar US$ 11.681 ribu dan US$ 14.105 ribu.

As of December 31, 2016 and December 31, 2015, Petrosea had outstanding used balance of bank guarantees from HSBC, Jakarta amounting to US$ 11,681 thousand and US$ 14,105 thousand, respectively.

Fasilitas diatas mensyaratkan Petrosea untuk mempertahankan persyaratan tertentu. Pada tanggal 31 Desember 2016 dan 2015, Petrosea telah mematuhi semua persyaratan.

The facility above requires Petrosea to maintain certain covenants. As of December 31, 2016 and 2015, Petrosea has complied with these covenants.

v. Pada tanggal 29 Desember 2014, PT Bank Mandiri (Persero) Tbk setuju untuk memberikan Fasilitas *Non Cash Loan* dengan tujuan untuk mendukung pelaksanaan proyek minyak dan gas. Fasilitas Non Cash maksimum sebesar US$ 30 juta yang dapat dipergunakan dalam pembukaan bank garansi, pembukaan jaminan Fasilitas Kredit (SBLC), pembukaan Fasilitas Kredit Impor maupun Surat Kredit Berdokumen dalam Negeri (SKBDN) baik dalam mata uang Dollar Amerika Serikat ataupun dalam Rupiah.

v. On December 29, 2014, PT Bank Mandiri (Persero) Tbk agreed to provide the Non Cash Loan Facility with the aim to support oil and gas projects. Non-Cash Facility of up to US$ 30 million can be used in the bank guarantee opening Standby Letter of Credit (SBLC) opening, opening of Letter of Credit import and Letter Credit Local (SKBDN) both denominated in U.S. Dollar or in Rupiah.

Pada tanggal 29 Desember 2016, PT Bank Mandiri (Persero) Tbk memberikan Fasilitas Treasury Line dengan limit US$ 5 juta kepada Petrosea. Fasilitas ini tanpa jaminan, dengan jangka waktu 1 tahun sampai dengan 29 Desember 2017.

On December 29, 2016, PT Bank Mandiri (Persero) Tbk provides Treasury Line facility with a limit of US$ 5 million to Petrosea. This facility has no collateral and have maturity of 1 year until December 29, 2017.

Pada tanggal 31 Desember 2016 dan 2015, Petrosea mempunyai saldo bank garansi yang terpakai dari PT Bank Mandiri (Persero) Tbk, masing-masing sebesar US$ 4.042 ribu dan US$ 1.141 ribu.

As of December 31, 2016 and 2015, Petrosea had outstanding used balance of bank guarantees from PT Bank Mandiri (Persero) Tbk, amounting to US$ 4,042 thousand and US$ 1,141 thousand, respectively.

w. Petrosea mempunyai komitmen sewa operasi yang tidak dapat dibatalkan atas tanah dan bangunan sebagai berikut:

w. Petrosea has commitments under non-cancellable operating leases for land and buildings as follows:

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
Jatuh tempo:			Due :
Kurang dari 1 tahun	2.054.000	2.015.000	Less than 1 year
Dalam 1 - 2 tahun	3.270.000	3.828.000	Within 1 - 2 years
Dalam 2 - 5 tahun	1.790.000	3.328.000	Within 2 - 5 years
> 5 tahun	-	254.000	> 5 years
Jumlah	7.114.000	9.425.000	Total

x. Pada tanggal 09 Maret 2015, Petrosea dan Eni Muara Bakau B.V. menandatangani Perjanjian Kontrak Sewa Gudang dan Jasa-Jasa Operasi Shore Base. Kontrak ini untuk mendukung Eni Muara Bakau B.V. sebagai Operator dari Production Sharing Contract Blok Muara Bakau dengan SKK Migas dan kontrak ini dilakukan melalui fasilitas Pangkalan Logistik Lepas Pantai Petrosea (POSB) yang berada di Tanjung Batu, Kalimantan Timur. Perkiraan nilai kontrak adalah US$ 10 juta dan berlaku efektif selama tiga tahun sampai dengan tahun 2018.

x. On March 09, 2015, Petrosea and Eni Muara Bakau B.V. entered into Storage Rental and Shore Base Services Contract. This contract is to support Eni Muara Bakau B.V. as an operator of Production Sharing Contract of Muara Bakau Block with SKK Migas and this contract will be executed through Petrosea Offshore Supply Base (POSB) facility at Tanjung Batu, East Kalimantan. Estimated value of the contract is US$ 10 million and effective for three years until year 2018.

y. Pada tanggal 30 Juni 2015, Petrosea dan Eni East Sepinggan Limited menandatangani Perjanjian Kontrak Penyediaan Jasa-Jasa Shorebase. Kontrak ini untuk mendukung Eni East Sepinggan Limited sebagai Operator dari Production Sharing Contract Blok East Sepinggan dengan SKK Migas dan kontrak ini dilakukan melalui fasilitas Pangkalan Logistik Lepas Pantai Petrosea (POSB) yang berada di Tanjung Batu, Kalimantan Timur. Perkiraan nilai kontrak adalah US$ 5 juta dan berlaku efektif selama tiga tahun sampai dengan tahun 2018.

y. On June 30, 2015, Petrosea and Eni East Sepinggan Limited entered into Provision of Shorebase Services Contract. This contract is to support Eni East Sepinggan Limited as an operator of Production Sharing Contract of East Sepinggan Block with SKK Migas and this contract will be executed through Petrosea Offshore Supply Base (POSB) facility at Tanjung Batu, East Kalimantan. Estimated value of the contract is US$ 5 million and effective for three years until year 2018.

z. Pada tanggal 30 Juni 2015 Petrosea dan PT Freeport Indonesia telah menandatangani kontrak kerjasama jasa konstruksi untuk pembangunan tanggul di area tambang PT Freeport di Papua. Nilai kontrak adalah US$ 158 juta dan berlaku efektif selama empat tahun sampai dengan tahun 2019. Tahap pertama pekerjaan yang akan dilaksanakan bernilai US$ 109 juta.

z. On June 30, 2015 Petrosea and PT Freeport Indonesia have signed a Construction Service Agreement to provide PT Freeport Indonesia in Papua with assistance in the construction of levees. The contract has a value of up to US$ 158 million and effective for four years until year 2019. The first stage of the works to be undertaken is for US$ 109 million.

aa. Pada tanggal 16 October 2015, Petrosea dan PT Indoasia Cemerlang telah menandatangani kerjasama Pemindahan Lapisan Tanah Penutup di area tambang Kintap di Kalimantan Selatan. Nilai kontrak adalah Rp 313 miliar untuk jangka waktu setahun.

Pada tanggal 16 September 2016, Perjanjian Pemindahan Tanah Penutup direvisi dengan Adendum No. 1 yang mencakup tentang perpanjangan jangka waktu perjanjian dan revisi atas nilai Indeks Kenaikan dan Penurunan Harga.

aa. On October 16, 2015, Petrosea and PT Indoasia Cemerlang have entered into Overburden Removal Agreement at a site adjacent to Kintap in South Kalimantan. The contract value is Rp 313 billion for a period of one year.

On September 16, 2015, the Overburden Removal Agreement was amended under Addendum No.1, which include among others, the extension time of contract and revision on the Rise and Fall index value.

bb. Pada tanggal 1 Januari 2016, Petrosea dan PT Saipem Indonesia mengadakan perjanjian untuk sewa logistik dan jasa yang berhubungan scarabeo 7 drilling sebesar Rp 8.9 milyar. Target penyelesaian kontrak pada tanggal 30 Juni 2017. Kontrak ini dilakukan melalui fasilitas Pangkalan Logistik Lepas Pantai Petrosea (POSB) yang berada di Tanjung Batu, Kalimantan Timur.

bb. On January 1, 2016, Petrosea and PT Saipem Indonesia entered into rental of logistics base and related services for scarabeo 7 drilling project amounting to Rp 8,9 billion. The target completion of contract is dated on June 30, 2017. This contract executed through Petrosea Offshore Supply Base (POSB) facility at Tanjung Batu, East Kalimantan.

cc. Pada tanggal 11 Januari 2016, Petrosea dan PT Anzawara Satria mengadakan perjanjian Pemindahan Lapisan Tanah Penutup di Tanah Bumbu, Kalimantan Selatan senilai Rp 622 milyar dan berlaku untuk period 3 tahun. Lingkup perjanjian mencakup pemindahan tanah penutup, sewa peralatan bergerak dan personel, dan pengangkutan batubara di Tanah Bumbu, Kalimantan Selatan.

cc. On January 11, 2016, Petrosea and PT Anzawara Satria entered into overburden removal agreement in Tanah Bumbu, South Kalimantan amounting to Rp 622 billion and for a period of three years. The scope encompasses overburden removal, hire of mobile plant and personnel and coal hauling in Tanah Bumbu, South Kalimantan.

dd. Pada tanggal 8 Maret 2016, pemerintah menunjuk Petrosea menjadi operator Pusat Logistik Berikat PLB yang pertama di Indonesia, serta sekaligus menjadi program percontohan.

dd. On March 8, 2016, the government has appointed Petrosea as the operator in Bonded Logistics Center (PLB). This will be the first PLB in Indonesia and is the pilot project.

ee. Pada tanggal 18 Maret 2016, Petrosea dan PT Newmont Nusa Tenggara, menandatangani perjanjian *EPCM of Re-Feed Conveyor and Conveyor Extension* di pulau Sumbawa, Nusa Tenggara Barat. Nilai kontrak sebesar Rp 29 milyar untuk periode Sembilan bulan.

ee. On March 18, 2016, Petrosea and PT Newmont Nusa Tenggara, entered into EPCM of Re-Feed Conveyor and Conveyor Extension at Sumbawa Island, West Nusa Tenggara. The contract value is Rp 29 billion for a period of nine months.

ff. Pada tanggal 12 Mei 2016, Petrosea dan ConocoPhillips (Grissik) Ltd., menandatangani Perjanjian pengadaan *earthwork*, jalan, dan drainase untuk Proyek Kompresi Suban di Sumatera Selatan. Nilai kontrak sebesar Rp 40,2 milyar untuk periode enam bulan

ff. On May 12, 2016, Petrosea and ConocoPhillips (Grissik) Ltd, entered into a Provision Earthwork Road and Drainage for Suban Compression Project agreement at South Sumatra. The contract value is Rp 40.2 billion for a period of six months.

gg. Pada tanggal 13 Mei 2016, Petrosea dan PT Binuang Mitra Bersama Blok Dua *menandatangani* perjanjian jasa pertambangan dan sewa peralatan dan personel pada area PT Binuang Mitra Bersama Blok Dua, Salam Barbaris, Tapin, Kalimantan Selatan dengan volume produksi 28 juta BCM Overburden dan 6,5 juta ton batubara per tahun. Perjanjian ini efektif mulai 6 Juni 2016 untuk jangka waktu empat tahun.

gg. On May 13, 2016, Petrosea and PT Binuang Mitra Bersama Blok Dua entered into agreement mining services and rental of heavy equipment and personnel in area PT Binuang Mitra Bersama Blok Dua, Salam Barbaris, Tapin, South Kalimantan with production volume of 28 million BCM Overburden and 6.5 million ton Coal per annum. This agreement is effective on at June 6, 2016 for a period of four years.

hh. Pada tanggal 1 Agustus 2016, Petrosea dan PT Indonesia Bulk Terminal menandatangani perjanjian pekerjaan perbaikan dermaga ekspor batubara di Pulau Laut, Kalimantan Selatan. Nilai kontrak sebesar Rp 53 milyar untuk jangka waktu 5 bulan.

hh. On August 1, 2016, Petrosea and PT Indonesia Bulk Terminal entered into agreement assessment, repair, and construction of damaged coal export jetty in Pulau Laut, South Kalimantan. The contract value is Rp 53 billion for a period of five months.

ii. Pada tanggal 25 Nopember 2016, Petrosea dan PT Pertamina Hulu Energy Nunukan menandatangani perjanjian kontrak jasa untuk jasa Pendukung Pangkalan tepi Pantai untuk pengeboran sumur Parang di Kalimantan Utara. Nilai kontrak adalah sebesar Rp 21.351 milyar dengan masa kontrak selama 24 bulan.

ii. On November 25, 2016, Petrosea and PT Pertamina Hulu Energy Nunukan, signed services contract for provision of onshore base support services for Parang well drilling in North Kalimantan. The total contract value is Rp 21,351 million with 24 months contract duration.

jj. Pada 11 Nopember 2016, Petrosea dan PT Kimco Armindo telah menandatangani Perjanjian jasa pertambangan pemindahan tanah penutup sebesar Rp 1,566 milyar dengan jangka waktu 3 tahun.

jj. On November 11, 2016, Petrosea and PT Kimco Armindo entered into Overburden Removal Mining Services Agreement amounting to Rp 1,566 billion with a duration of 3 years.

kk. Pada tanggal 24 Maret 2016, Petrosea dan PT Lamurindo menandatangani kontrak untuk jasa Pendukung Operasi *Shore base*. Total nilai kontrak sebesar Rp 13,3 miliar dengan durasi kontrak selama 36 bulan sempai tahun 2019. Kontrak ini dilakukan melalui fasilitas Petrosea *Offshore Supply Base* (POSB) di Tanjung Batu, Kalimantan Timur.

kk. On May 24, 2016, Petrosea and PT Lamurindo, signed contract for Provision of Shore Base Services. The total contract value is Rp 13.3 billion with contract duration for 36 months until year 2019. This contract executed through Petrosea Offshore Supply Base (POSB) facility at Tanjung Batu, East Kalimantan.

ll. MBSS mempunyai komitmen untuk melaksanakan jasa pengangkutan dan pemindahmuatan batu bara. Untuk jasa pengangkutan barging dapat dikelompokkan terutama menjadi *freight charter*, *time charter* dan *fixed and variable*. Komitmen tersebut antara lain:

ll. MBSS has commitments of coal transhipment service. Barging services shall be further subreclassified as freight charter, time charter and fixed and variable. The commitments are as follows:

No	Nama proyek/*Name of Project*	Pemberi Kerja/*Owner*	Periode Proyek/*Project Period* Mulai Proyek/ *Start of project*	Selesai Proyek/ *End of Project*
	BARGING			
	A. Freight Charter			
1	Coal Barging Agreement	PT Adaro Indonesia	1 Oktober/ *October 1,* 2010	31 Oktober/ *October 31,* 2017
2	Coal Transportation to Load and Transported from Tanjung Kepala, Pulau Sebuku	PT Bahari Cakrawala Sebuku	1 April/ *April 1,* 2014	31 Maret/ *March 31,* 2017
3	Contract for The Affreightment and Transhipment of Sebuku Coal	PT Bahari Cakrawala Sebuku	1 Desember/ *December 1,* 2002	Sisa umur tambang/ *remaining life of coal mine*
4	Coal Transportation Contract	PT Cotrans Asia (Pihak berelasi, Catatan 49) / *(Related party, Note 49)*	1 Maret/ *March 1, 2014*	28 Pebruari/ *February 28,* 2019
5	Coal Barging Contract	PT Kideco Jaya Agung (Pihak berelasi, Catatan 49) / *(Related party, Note 49)*	28 Juni *June 28, 2012*	28 Juni/ *June 28,* 2017
6	Coal Freight Service	PT Kaltim Prima Coal	1 Agustus/ *August 1, 2014*	30 Juni/ *June 30, 2017*
7	Coal Barging Service Agreement	PT Pelayaran Sanditia Perkasa Maritim	1 Januari/ *January 1, 2015*	31 Desember/ *December 31, 2017*
8	Perjanjian Pengangkutan Batubara	PT Indoasia Cemerlang	1 November/ *November 1, 2014*	31 Maret/ *March 31, 2017*

No	Nama proyek/*Name of Project*	Pemberi Kerja/*Owner*	Periode Proyek/*Project Period* Mulai Proyek/ *Start of project*	Selesai Proyek/ *End of Project*
	FLOATING CRANE			
1	Coal Transhipment Agreement for the Provision of Transhipment Service at Adang Bay	PT Kideco Jaya Agung (Pihak berelasi, Catatan 49) / *(Related party, Note 49)*	1 Januari/ *January 1, 2013*	31 Desember/ *December 31, 2019*
2	Transhipment Services Agreement	PT Bahari Cakrawala Sebuku	1 April/ *April 1, 2014*	31 Maret/ *March 31,* 2017
3	Transhipment Contract	PT Transcoal Pacific	4 September/ *September 4, 2016*	31 Desember/ *December 31, 2017*
4	Transhipment Contract	PT Dutadharma Utama	11 September/ *September 11, 2016*	20 September/ *September 20, 2017*
5	Transhipment Contract	PT Indoasia Cemerlang	20 September/ *September 20, 2016*	20 September/ *September 20, 2017*

mm. MASS, entitas anak melalui MBSS, mempunyai komitmen untuk melaksanakan jasa pengangkutan batu bara sebagai berikut:

mm. MASS, a subsidiary through MBSS, has coal transhipment service commitment as follows:

Nama proyek/*Name of Project*	Pemberi kerja/*Owner*	Periode proyek/*Project period* Mulai proyek/ *Start of project*	Mulai proyek/ *End of project*
Coal Transhipment at Muara Pantai Anchorage	PT Berau Coal	1 Juni/ *June 1,* 2012	1 Juni/ *June 1,* 2017

nn. MSC mempunyai komitmen untuk melaksanakan jasa pengangkutan batubara sebagai berikut:

nn. MSC has commitment of coal transhipment service as follows:

Nama proyek/*Name of Project*	Pemberi kerja/*Owner*	Periode proyek/*Project period*	
		Mulai proyek/ *Start of project*	Selesai proyek/ *End of project*
Time charter contract	PT Winning Shipping Indonesia	7 Nopember/ *November 7,* 2016	31 Desember/ *December 31,* 2017

oo. Dalam rangka Penawaran Umum Perdana MBSS, Pemegang Saham MBSS melalui Keputusan Sirkuler Pemegang Saham Perseoran tanggal 2 dan 3 Desember 2010 telah menyetujui pelaksanaan *Management and Employee Stock Allocation (MESA)* dengan jumlah maksimal 10% dari jumlah seluruh saham yang ditawarkan dan pelaksanaan *Management and Employee Stock Option Plan (MESOP)* dengan jumlah maksimal 2% dari jumlah seluruh modal disetor Petrosea setelah Penawaran Umum Perdana; dan pelaksanaan *Convertible Loan*.

Per 31 Desember 2016, hanya program *Management and Employee Stock Option Program (MESOP)* yang belum direalisasi sehubungan dengan resolusi diatas.

oo. In relation with MBSS's Initial Public Offering, the Shareholders of MBSS through the Shareholders Circular Resolution dated December 2 and 3, 2010 have agreed to implement Management and Employee Stock Allocation (MESA) of up to 10% of the shares offered and have agreed to implement Management and Employee Stock Option Plan (MESOP) up to 2% of the total paid-up capital of the Company after Initial Public Offering; and after the exercise of the Convertible Loan.

As of December 31, 2016, only Management and Employee Stock Option Program (MESOP) remains unrealized in relation with the abovementioned resolution.

pp. Pada tanggal 2 October 2013, MEA, mengadakan perjanjian Kerjasama Penggunaan Lahan dengan PT. Ganda Alam Makmur (GAM), dimana MEA setuju untuk memberikan hak ekslusif kepada GAM untuk menggunakan tanah yang terletak di Kutai Timur untuk konstruksi pengangkutan jalan, dimana atas tanah tersebut MEA memiliki Ijin Lokasi dan Konstruksi. MEA akan menerima kompensasi dari GAM, sesuai dengan kesepakatan yang tertera di dalam perjanjian.

Pada tahun 2016 dan 2015, GAM belum memproduksi batubara. Dengan demikian, belum ada pembayaran yang diterima oleh MEA.

pp. On October 2, 2013, MEA, entered into Land Use Cooperation agreement with PT. Ganda Alam Makmur (GAM), wherein MEA agreed to grant exclusive right for land usage located in East Kutai, in which MEA holds the Location and Construction Permit, in order for GAM to construct the hauling road. As compensation, MEA shall receive fees from GAM, as stated in such agreement.

In 2016 and 2015, GAM has not yet produced coal. Thus, no payment has been received by MEA.

qq. Pada tanggal 15 Juni 2015, KPI mengadakan perubahan perjanjian untuk pemberian jasa kepada Freeport yang akan jatuh tempo pada tanggal 31 Desember 2021. Berdasarkan perjanjian ini, KPI akan mengoperasikan dan memanfaatkan fasilitas yang dijelaskan dalam perjanjian hanya sehubungan dengan kinerja jasa dan akan melakukan jasa secara eksklusif untuk kepentingan Freeport. Sebagai kompensasi, KPI akan menerima sebagai berikut:

- Beban KPI yang akan diganti terdiri dari semua *cash costs, expenses, charges, fees,* dan jumlah lain, baik *capital, ordinary or extraordinary in nature,* kecuali *extraordinary expenses* seperti yang didefinisikan dalam perjanjian, yang dikeluarkan oleh KPI dalam menjalankan kegiatannya di bawah dan di sehubungan dengan perjanjian tersebut.

qq. On June 15, 2015, KPI entered into an amandement to service agreement with Freeport, which will mature on December 31, 2021. Under this agreement, KPI shall operate and utilize the facilities described in the agreement solely in connection with the performance of the service and shall perform the service exclusively for the benefit of Freeport. As a compensation, KPI will receive the following:

- KPI's reimbursable expenses consisting of all cash costs, expenses, charges, fees and other amounts whatsoever, whether capital, ordinary or extraordinary in nature, excluding extraordinary expenses as defined in the agreement, incurred by KPI in carrying out its activities under and in connection with the agreement.

- *Fee* pelabuhan dan jasa operasi diwajibkan tetap setiap bulannya sejumlah US$ 142.000 ditambah 7,5% dari biaya tenaga kerja langsung dari karyawan KPI yang dibayarkan secara langsung kepada karyawan atau sebagai biaya gaji terkait untuk bulan, dan insentif keamanan tetap jumlah sampai dengan 2,5 % dari biaya yang disepakati. Insentif akan dihitung dan diakui bulanan dan dibayarkan setiap enam bulan.

rr. Pada tanggal 30 Juni 2015, ICI memperoleh fasilitas kredit dari Standard Chartered Bank, cabang Singapura dengan limit kredit gabungan sebesar US$ 30 juta, dengan rincian sebagai berikut:

- Port and operating services fee shall be fixed monthly amount of US$ 142,000 plus an amount equal to 7.5% of direct labor costs of KPI's employees that are paid either directly to employees or as payroll related costs for the month, and safety incentive of an amount up to 2.5% of the agreed cost. The safety incentive will be calculated and accrued monthly and paid semi annually.

rr. On June 30, 2015, ICI obtained credit facility from Standard Chartered Bank, Singapore Branch, with combined credit limit of US$ 30 million and details as follows:

Fasilitas/*Facility*	Fasilitas maksimum/ *Maximum facility*	Suku bunga atau komisi/ *Interest rate or commission*	Periode/*Period*
Import Invoice Financing I	US$ 30 juta/*million*	3,25% diatas LIBOR per tahun/ *3.25% above LIBOR per annum*	12 bulan (28 Pebruari 2017)/ 12 months (February 28, 2017)
Import LCs - Unsecured	US$ 15 juta/*million*	1 % per tahun/*per year*	90 hari/*days*
Import LCs - Secured	US$ 15 juta/*million*	1 % per tahun/*per year*	90 hari/*days*
Import Loan	US$ 15 juta/*million*	3,25% diatas LIBOR per tahun/ *3.25% above LIBOR per annum*	45 hari/*days*
Loans against Trust Receipt	US$ 15 juta/*million*	3.25% diatas LIBOR per tahun/ *3.25% above LIBOR per annum*	45 hari/*days*
Acceptence against Trust Receipt	US$ 15 juta/*million*	1 % per tahun/*per year*	45 hari/*days*
Import Invoice Financing II	US$ 10 juta/*million*	3,25% diatas LIBOR per tahun/ *3.25% above LIBOR per annum*	30 hari/*days*
Import Invoice Financing III	US$ 11 juta/*million*	3,25% diatas LIBOR per tahun/ *3.25% above LIBOR per annum*	30 hari/*days*

Fasilitas ini dijamin dengan non-standard Letter of Comfort atau Letter of Awareness yang diterbitkan oleh Perusahaan.

Perjanjian tersebut diatas mencakup beberapa persyaratan yang harus dipenuhi oleh ICI, antara lain:

- ICI tidak akan menjaminkan asetnya selain dari aset yang telah disebutkan dalam perjanjian.
- ICI tidak akan menjual seluruh atau sebagian asetnya atau melakukan akuisisi/ investasi pada aset, kecuali terkait dengan kegiatan normal perdagangan.
- ICI akan memastikan bahwa tidak ada perubahan yang signifikan yang akan mengubah bisnis keseluruhan dari ICI atau Grup sejak tanggal perjanjian.

Perjanjian pinjaman ini telah beberapa kali diperbaharui, terakhir pada tanggal 30 Nopember 2016.

The above facility was secured by non-standard Comfort or Letter of Awareness provided by the Company.

The agreement covering the above facility contained certain covenants which required ICI to fulfill, among other things, are:

- ICI will not create or permit to subsist any security interest over any of its assets, other than those mentioned in the agreement.
- ICI will not dispose all or part of its assets or make acquisitions or investments in assets, except when made in ordinary course of trading.
- ICI will procure that no substantial change is made which will have an effect on the general nature of its business or that of its Group from the date of this agreement.

This loan agreement has been amended several times, most recently on November 30, 2016.

ss. MUTU, sebagai produsen batubara, mengadakan sejumlah perjanjian penambangan batubara. Berdasarkan perjanjian-perjanjian tersebut, MUTU diharuskan membayar biaya sewa dan biaya jasa kepada kontraktor, dihitung secara bulanan, berdasarkan rumus yang meliputi jumlah batubara mentah yang diangkut dan lapisan tanah yang ditambang dan diangkut. Kontraktor akan menyediakan sarana, mesin, perlengkapan, dan barang-barang lain yang diperlukan dan dalam kondisi tertentu dapat menggunakan peralatan MUTU sendiri untuk melakukan jasa penambangan dan transportasi, dan diharuskan memenuhi persyaratan minimum produksi tertentu.

MUTU juga mengadakan perjanjian pengangkutan, transportasi, dan pemindahan batubara dengan kontraktor untuk menyediakan jasa transportasi dari wilayah utama MUTU ke pelabuhan tujuan yang telah ditentukan dan menyediakan jasa floating crane dari tongkang kontraktor ke kapal pelanggan. MUTU diharuskan membayar biaya jasa kepada kontraktor, dihitung secara bulanan, berdasarkan suatu rumusan yang meliputi jumlah batubara yang diangkut.

ss. MUTU, as a coal producer, has entered into a number of coal mining agreements. Under the agreements, MUTU is required to pay contractors a rental fee and a service fee, calculated on a monthly basis, based on a formula which includes the amount of raw coal transported and overburden mined and transported. The contractors will provide the equipment, machineries, appliances and other supplies necessary and also in some instances may use MUTU's own equipment for performing the mining and transportation services and are required to meet certain minimum production requirments.

MUTU has also entered into coal barging, transport and transhipment agreements with contractors to provide coal transportation services from MUTU's main area to certain port destinations and to provide floating crane services from the contractors' barge to customer vessels. MUTU is required to pay contractors a service fee, calculated on a monthly basis, based on a formula which includes the amount of coal transported.

Kontraktor/ *Contractor*	Tipe perjanjian/ *Agreement type*	Tanggal perjanjian/ *Agreement date*	Akhir periode perjanjian/ *Contract period end*
PT Mitra Abadi Mahakam	Jasa pengupasan lapisan tanah dan jasa penambangan/ *Stripping of overburden and mining of coal*	29 April 2016/ *April 29, 2016*	31 Januari (Catatan 55)/ *January 2017 (Note 55)*
PT Daya Pratama Mandiri	Jasa pengangkutan batubara dan pemeliharaan jalan pengangkutan dari rom stockpile ke stockpile pelabuhan/ *Coal hauling and road maintenance from raw coal stockpile to port stockpile.*	30 Juni 2016/ *June 30, 2016*	30 September 2022/ *September 30, 2022*
PT Trielang Jaya Maritim	Transportasi batubara dan pengangkutan/ *Coal transport and transhipment*	1 September 2016/ *September 1, 2016*	30 Agustus 2017 / *August 30, 2017*
PT Handil Bhakti Persada	Bongkar muat batubara/ *Coal loading*	1 September 2016/ *September 1, 2016*	30 Agustus 2017/ *August 30, 2017*

tt. Pada tanggal 9 September 2016, ILSS menandatangani perjanjian dengan PT Cikarang Listrindo Tbk (CL), sebuah perusahaan pembangkit listrik untuk menyediakan jasa penanganan batubara untuk pembangkit listrik CL yang berlokasi di Babelan, Bekasi. Proyek penanganan batubara ini diawali dengan proses tender dan ILSS telah lulus dari proses tersebut dan telah ditunjuk oleh CL sebagai pelaksana jasa penanganan batubara mereka. Kontrak tersebut akan berakhir selama 5 tahun.

tt. On September 9, 2016 ILSS entered into an agreement with PT Cikarang Listrindo Tbk (CL), a power plant company to provide coal handling management services for CL's power plant located in Babelan, Bekasi. Prior signing the agreement, CL has conducted a tender process to select a contractor who can perform the works. ILSS has passed the process and was awarded by CL to manage its coal stock yard. The agreement will expire in 5 years

uu. Pada tanggal 22 September 2016, PT Adhi Karya (Persero) Tbk (AK) telah menunjuk ILSS sebagai pelaksana jasa angkutan transportasi material U-Shaped yang digunakan di proyek Light Rail Transit (LRT). Proses tender untuk pekerjaan ini telah dimulai sejak 25 Nopember 2015 dan setelah 10 bulan proses seleksi, ILSS terpilih sebagai salah satu kontraktor untuk mobilisasi U—Shaped dari pabrik di Sentul ke Lintas Pelayanan I Cawang Cibubur. Diperkirakan pekerjaan mobilisasi ini akan selesai dalam 26 bulan. Pelaksanaan proyek ini masih tertunda menunggu kesepakatan mengenai metode pembayaran antara kedua belah pihak

uu. On September 22, 2016 PT Adhi Karya (Persero) Tbk (AK) has awarded ILSS to conduct land transportation services for its U-Shaped material which will be used in Light Rail Transit (LRT) project. The tender process started on November 25, 2015 and after 10 months selection process, ILSS was appointed as one of contractors to mobilize U-Shaped from its plant at Sentul to Service Route I Cawang – Cibubur. The duration to perform the work is estimated at around 26 months. The execution of this project is still postponed since the payment method has not been resolved yet by both parties.

vv. Setelah melalui proses tender, CSTS Joint Operation sebagai kontraktor proyek ekspansi BP Tangguh menunjuk ILSS sebagai subkontraktor terkait kegiatan marshalling di Gresik, Surabaya melalui Letter of Award tertanggal 5 Desember 2016. Jangka waktu proyek marshalling ini sekitar 4 tahun dan telah dimulai dipertengahan Januari 2017. Nilai proyek sebesar Rp 146 miliar

vv. CSTS Joint Operation as the contractor of BP Tangguh Expansion Project has appointed ILSS as its subcontractor for Marshalling Project in Gresik, Surabaya based on Letter of Award dated on December 5, 2016 after winning tender process. The marshalling project duration is around 4 (four) years and has been started in mid January 2017. The project value is Rp 146 billion

ww. Pada tanggal 22 Nopember 2016, IET menandatangani perjanjian dengan PT Anugrah Indonesia Resources (AIRO) terkait transaksi offtake batubara dan penambangan batubara. Berdasarkan perjanjian tersebut, IET akan membayar uang muka kepada AIRO sebesar yang telah ditentukan di dalam perjanjian dan sebagai imbalannya IET akan melakukan offtake batubara sebesar 6 juta metrik ton dalam waktu 3 tahun dengan beberapa ketentuan. Per tanggal 31 Desember 2016, IET telah membayar uang muka sebesar US$ 200.000 dan Rp 13 milyar kepada AIRO dan dicatat sebagai bagian dari pembayaran uang muka pembelian batubara pihak ketiga di dalam laporan posisi keuangan konsolidasian.

ww. On November 22, 2016, IET entered into the Agreement with PT Anugrah Indonesia Resources (AIRO) for coal offtake and mining transaction. Based on the agreement, IET will pay certain amount as downpayment to AIRO and as compensation IET will offtake the coal amounting to 6 million metric tonnes within 3 years under certain terms. As of December 31, 2016, IET has paid US$ 200,000 and Rp 13 billion to AIRO which was recorded as part of advance purchase of coal to third party in the consolidated statement of financial position.

52. ASET DAN LIABILITAS DALAM MATA UANG ASING

Pada tanggal 31 Desember 2016 dan 2015, Perusahaan dan entitas anak mempunyai aset dan liabilitas moneter dalam mata uang asing sebagai berikut:

52. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At December 31, 2016 and 2015, the Company and its subsidiaries had monetary assets and liabilities in foreign currencies as follows:

		31 Desember/*December 31,* 2016		31 Desember/*December 31,* 2015		
		Mata Uang Asing/ *Foreign Currency*	Ekuivalen US$/ *Equivalent in US$*	Mata Uang Asing/ *Foreign Currency*	Ekuivalen US$/ *Equivalent in US$*	
Aset						Assets
Kas dan setara kas	IDR	793.592.543.348	59.836.580	320.300.573.205	23.218.599	Cash and cash equivalents
	SGD	2.956.214	2.045.965	1.141.590	807.062	
	EUR	3.207.986	3.381.219	5.062.057	5.529.797	
	AUD	33.430	24.195	35.257	25.722	
	JPY	83.477	717	-	-	
Aset keuangan lainnya	IDR	12.826.825.196	954.661	22.407.466.810	1.624.318	Other financial assets
Piutang usaha	IDR	538.144.052.446	40.052.401	178.404.416.890	12.932.542	Trade accounts receivable
	SGD	126.062	87.246	73.542	51.994	
Piutang lain-lain	IDR	8.984.921.920	668.720	85.815.652.983	6.220.779	Other accounts receivable
Aset lancar lainnya	IDR	6.367.898.148	473.943	16.702.084.911	1.210.735	Other current assets
	SGD	96.808	67.000	96.680	68.349	
	AUD	37.306	27.000	7.663	5.591	
Uang muka dan aset tidak lancar lainnya	IDR	62.750.000.048	5.504.619	62.749.992.455	4.548.749	Advances and other noncurrent assets
Pajak dibayar dimuka	IDR	801.260.871.628	59.501.235	1.260.972.325.375	91.407.925	Prepaid taxes
Klaim pengembalian pajak	IDR	159.764.990.340	12.024.952	318.828.991.580	23.111.924	Claim for tax refund
Jumlah Aset			184.650.453		170.764.086	Total Assets
Liabilitas						Liabilities
Utang bank	IDR	-	-	33.700.975.934	2.442.985	Bank loans
	SGD	-	-	18.076.970	12.775.244	
Utang usaha	IDR	753.890.117.304	56.109.714	676.318.815.535	49.026.373	Trade accounts payable
	SGD	53.701	37.166	185.643	131.243	
	EUR	167.823	176.886	134.168	146.565	
	AUD	107.040	77.470	15.848	11.562	
	GBP	28.045	34.456	146.744	217.548	
	MYR	-		2.714	632	
Utang lain-lain	IDR	36.671.976.552	2.729.382	22.397.934.465	1.623.627	Other accounts payable
	SGD	194.986	134.948	-	-	
Utang pajak	IDR	59.693.662.340	4.422.484	110.713.952.110	8.025.658	Taxes payable
Biaya masih harus dibayar	IDR	210.188.359.660	24.370.772	319.398.861.081	23.153.234	Accrued expenses
	SGD	7.511	5.198	19.485	13.775	
	EUR	-	-	272.382	297.550	
Utang dividen	IDR	3.049.972.000	226.772	3.159.055.000	229.000	Dividend payable
Pinjaman jangka panjang	IDR	2.575.049.708	191.653	5.504.041.601	398.988	Long-term loans
Liabilitas sewa pembiayaan	IDR	955.017.444	71.079	2.165.815.000	182.883	Lease liabilities
Liabilitas imbalan kerja	IDR	366.816.692.824	27.361.771	342.189.168.680	24.805.304	Employment benefit obligation
Jumlah Liabilitas			115.949.751		123.482.171	Total Liabilities
Jumlah Aset Bersih			68.700.702		47.281.915	Total Net Assets

Pada tanggal 31 Desember 2016 dan 2015, kurs konversi yang digunakan Perusahaan dan entitas anak serta kurs yang berlaku pada tanggal 8 Maret 2017 sebagai berikut:

The conversion rates used by the Company and its subsidiaries on December 31, 2016 and 2015 and the prevailing rates on March 8, 2017 are as follows:

	8 Maret/ *March 8,* 2017	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	US$	
Mata Uang				Foreign currency
1 IDR	0,0001	0,0001	0,0001	IDR 1
1 SGD	0,7089	0,6921	0,7070	SGD 1
1 AUD	0,7596	0,7238	0,7296	AUD 1
1 EUR	1,0565	1,0540	1,0924	EUR 1
1 GBP	1,2203	1,2286	1,4825	GBP 1
1 MYR	0,2246	0,2230	0,2329	MYR 1
1 PHP	0,0199	0,0202	0,0213	PHP 1
1 JPY	0,1288	0,0086	0,0083	JPY 1

Sehubungan dengan fluktuasi kurs mata uang asing US$ terhadap mata uang asing, Perusahaan dan entitas anak mencatat kerugian kurs mata uang asing bersih sebesar US$ 711.362 tahun 2016 dan US$ 8.771.508 tahun 2015.

In relation with fluctuation of US$ against foreign currencies, the Company and its subsidiaries recorded net loss on foreign exchange of US$ 711,362 in 2016 and US$ 8,771,508 in 2015.

53. TRANSAKSI NON KAS

Perusahaan dan entitas anak melakukan transaksi investasi dan pendanaan non kas yang tidak disajikan dalam laporan arus kas konsolidasian pada 31 Desember 2016 dan 2015 dengan rincian sebagai berikut:

53. NON CASH TRANSACTIONS

The Company and its subsidiaries have non-cash investing and financing transactions that were not presented in the consolidated statements of cash flows for the year ended of December 31, 2016 and 2015 with detail as follows:

	31 Desember/ *December 31,* 2016	31 Desember/ *December 31,* 2015	
	US$	US$	
Perolehan aset tetap melalui:			Additions to property, plant and equipment through:
Utang lain-lain	6.056.230	3.995.746	Other payables
Perolehan aset tidak berwujud melalui:			Additions to intangible assets through:
Reklasifikasi biaya dibayar muka	366.955	-	Reclassification of prepaid expenses
Utang lain-lain	-	177.398	Other payables
Perolehan properti pertambangan melalui:			Additions to mining properties through:
Utang lain-lain	-	87.725	Other payables
Perolehan aset eksplorasi dan evaluasi melalui:			Additions to exploration and evaluation assets through:
Biaya masih harus dibayar	-	33.305	Accrued expenses

54. KONDISI EKONOMI

Pertumbuhan ekonomi global selama beberapa tahun terakhir melambat dikarenakan dampak krisis di Uni Eropa dan pertumbuhan yang melambat di China dan India. Meskipun industri terkait batubara, industri telah bangkit kembali Secara bertahap, menunjukkan sumber daya dengan peningkatan harga pasar batubara pada tahun 2016.

54. CURRENT ECONOMIC CONDITION

The global economic growth has been slowing down for the past few years due to the impact of crisis in Europe and low growth in China and India. Even though the coal–related industry is still in low side, the industry has gradually bounced back, indicated by the sligthly increasing coal market price in 2016.

Bagaimanpun, fluktuasi harga batubara yang terus berlanjut di masa datang dapat mempengaruhi operasi Perusahaan dan entitas anak dan/atau pelanggan Perusahaan dan entitas anak. Dampak keadaan ekonomi juga mempengaruhi kondisi keuangan para pelanggan yang meningkatkan risiko tidak tertagihnya piutang dari pelanggan.

Penyelesaian kondisi ekonomi tersebut tergantung kepada penyelesaian krisis - suatu tindakan yang berada diluar kendali Perusahaan dan entitas anak. Oleh karena itu, tidaklah mungkin untuk menentukan dampak masa depan kondisi ekonomi terhadap likuiditas dan pendapatan Perusahaan dan entitas anak atau pengaruh krisis terhadap investor, pelanggan, dan pemasok Perusahaan dan entitas anak.

Manajemen menyakini bahwa Perusahaan dan entitas anak memiliki sumber daya yang cukup untuk melanjutkan operasinya di masa depan sehingga laporan keuangan konsolidasian tetap dapat disajikan dengan mempertahankan asumsi kelangsungan usaha.

However, the continous fluctuation of coal price in the future may affect the Company and their subsidiaries' and/or its customers' operations. Also, the effects of the economic situation on the financial condition of the customers have increased the credit risk inherent in the receivables from customers.

Recovery of the economic condition is dependent on resolution of the economic crisis, which are beyond the Company and its subsidiaries' control. It is not possible to determine the future effect the economic condition may have on the Company and its subsidiaries' liquidity and earnings, including the effect flowing through from its investors, customers and suppliers.

The management believes that the Company and its subsidiaries have adequate resources to continue their operations for the foreseeable future. Accordingly, the Company and its subsidiaries continue to adopt the going concern basis in preparing the consolidated financial statements.

55. PERISTIWA SETELAH PERIODE PELAPORAN

a. Pada tanggal 31 Januari 2017, MUTU menandatangani perjanjian dengan PT Mitra Abadi Makaham terkait pemutusan kontrak jasa pertambangan. Berdasarkan perjanjian tersebut, kedua belah pihak setuju untuk menghentikan kontrak jasa pertambangan secara efektif pada tanggal 31 Januari 2017. Seluruh hak dan kewajiban yang tertuang dalam kontrak tersebut telah diakhiri sejak 31 Januari 2017.

b. Pada bulan Januari dan Pebruari tahun 2017, ICI menandatangani kontrak komitmen untuk melakukan pengiriman batubara sekitar 4,2 juta metrik ton kepada beberapa pelanggan, bergantung kepada kesepakatan harga. Batubara tersebut akan dikirimkan secara periodik di tahun 2017.

c. Pada bulan Pebruari 2017, MUTU menandatangani nota kesepahaman dengan PT Madhani Talatah Nusantara atas jasa pengupasan lapisan tanah dan penggalian batubara mentah.

d. Pada bulan Pebruari 2017, bank garansi yang diterbitkan oleh PT Bank Mandiri (Persero) Tbk kepada pemilik proyek Mobil Cepu Ltd sebesar US$ 98.981.070 telah diperpanjang sampai dengan 31 Mei 2017.

e. Pada bulan Pebruari 2017, bank garansi yang diterbitkan oleh PT Bank Mandiri (Persero) Tbk kepada pemilik proyek Eni Muara Bakau B.V. sebesar US$ 33.099.836 telah diperpanjang sampai dengan 31 Juli 2017.

55. SUBSEQUENT EVENTS

a. On January 31, 2017, MUTU entered into agreement with PT Mitra Abadi Mahakam pertaining the termination of contract mining services. Based on the agreement, the parties agreed that mining service contract would be terminated effective on January 31, 2017. All rights and obligations as mentioned in the initial mining service contract have been terminated since January 31, 2017.

b. In January and February 2017, ICI entered into various commitments to deliver approximately 4.2 million metric tonnes of coal to various buyers, subject to price agreements. The coal will be delivered periodically in 2017.

c. In February 2017, MUTU entered into Mumorandum of Understanding with PT Madhani Talatah Nusantara for stripping of overburden and mining of coal services.

d. In February 2017, bank guarantee issued by PT Bank Mandiri (Persero) Tbk for project owner Mobil Cepu Ltd amounted to US$ 98,981,070 was extended until May 31, 2017.

e. In February 2017, bank guarantee issued by PT Bank Mandiri (Persero) Tbk for project owner Eni Muara Bakau B.V. amounted to US$ 33,099,836 was extended until July 31, 2017.

f. Pada Maret 2017, Otoritas Jasa Keuangan mengeluarkan peraturan Nomor 6 POJK.04/2017. Pada peraturan baru tersebut, transaksi berdasarkan perjanjian jual beli tenaga listrik diperlakukan sebagai transaksi jufcal beli. Peraturan ini berlaku untuk entitas publik yang yang memiliki Perjanjian Jual Beli Listrik. Peraturan ini berlaku efektif pada laporan keuangan yang dimulai 1 Januari 2017, dan akan diterapkan secara prospektif. Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, dampak dari peraturan tersebut terhadap laporan keuangan konsolidasian belum dapat diketahui atau diestimasi oleh manajemen.

f. In March 2017, the Financial Service Authority issued regulation No. 6 POJK.04/2017. Based on the new regulation, transactions under the power purchase agreement should be treated as a purchase transaction. The regulation is applicable to certain listed entities which have Power Purchase Agreement. The regulation is effective on financial statements starting January 1, 2017, and will be applied prospectively. As of the issuance date of the consolidated financial statements, the effect of the regulation on the consolidated financial statements is not yet known nor reasonably estimated by management.

56. INFORMASI TAMBAHAN

Informasi keuangan tersendiri entitas induk dari halaman 161 sampai 165 menyajikan laporan posisi keuangan, laporan laba rugi komprehensif, perubahan ekuitas, laporan arus kas dan catatan investasi entitas induk dalam entitas anak dimana investasi saham pada entitas anak dan asosiasi dicatat menggunakan metode biaya.

56. SUPPLEMENTARY INFORMATION

The supplementary information of the parent company only on pages 161 to 165 presented the statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows and note on parent entity's investments in subsidiaries in which investments in subsidiaries and associates were accounted for using the cost method.

57. TANGGUNG JAWAB MANAJEMEN DAN PERSETUJUAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN

Penyusunan dan penyajian wajar laporan keuangan konsolidasian dari halaman 1 sampai 160 dan informasi tambahan dari halaman 161 sampai 165 merupakan tanggung jawab manajemen, dan telah disetujui oleh Direktur untuk diterbitkan pada tanggal 8 Maret 2017.

57. MANAGEMENT RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 1 to 160 and the supplementary information on Page 161 to 165 were the responsibilities of the management, and were approved by the Company's Directors and authorized for issue on March 8, 2017.

****

PT. INDIKA ENERGY Tbk
LAPORAN POSISI KEUANGAN
(ENTITAS INDUK)
31 DESEMBER 2016 AND 2015

PT. INDIKA ENERGY Tbk
STATEMENTS OF FINANCIAL POSITION
(PARENT ENTITY ONLY)
DECEMBER 31, 2016 AND 2015

	31 Desember/ *December 31,* 2016 US$	31 Desember/ *December 31,* 2015 US$	
ASET			ASSETS
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	36.509.810	29.618.713	Cash and cash equivalents
Aset finansial lainnya	-	1.087.351	Other financial assets
Piutang usaha			Trade accounts receivable
Pihak berelasi	-	231.309	Related parties
Pihak ketiga	34.275	3.407	Third parties
Piutang lain-lain			Other accounts receivable
Pihak berelasi	32.827.915	40.315.087	Related parties
Pihak ketiga	68.166	-	Third parties
Pinjaman ke pihak berelasi	21.071.268	40.495.363	Loan to a related party
Piutang dividen	-	8.745.611	Dividends receivable
Pajak dibayar dimuka	182.016	4.865.774	Prepaid taxes
Aset lancar lainnya	329.730	399.393	Other current assets
Jumlah Aset Lancar	91.023.180	125.762.008	Total Current Assets
ASET TIDAK LANCAR			NONCURRENT ASSETS
Piutang lain-lain			Other accounts receivable
Pihak berelasi	10.754.140	9.029.927	Related parties
Pihak ketiga	559.058	1.050.753	Third parties
Klaim pengembalian pajak	-	8.235.802	Claims for tax refund
Investasi pada entitas anak	782.615.523	758.118.638	Investment in subsidiaries
Uang muka dan aset tidak lancar lainnya	8.812.438	26.626.277	Advances and other noncurrent assets
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar sebesar US$ 19.356.102 tanggal 31 Desember 2016 dan US$ 19.031.490 tanggal 31 Desember 2015	44.766.912	48.853.313	Property, plant and equipment - net of accumulated depreciation of US$ 19.356.102 as of December 31, 2016 and US$ 19,031,490 as of December 31, 2015
Aset tidak berwujud - bersih	933.222	1.373.666	Intangible assets - net
Uang jaminan	312.398	397.074	Refundable deposits
Jumlah Aset Tidak Lancar	848.753.691	853.685.450	Total Noncurrent Assets
JUMLAH ASET	939.776.871	979.447.458	TOTAL ASSETS
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK			CURRENT LIABILITIES
Utang bank	-	92.620.438	Bank loans
Utang usaha			Trade accounts payable
Pihak ketiga	86.809	56.305	Third parties
Utang lain-lain			Other accounts payable
Pihak berelasi	2.594	18.050	Related parties
Pihak ketiga	275.958	481.153	Third parties
Utang pajak	550.330	320.480	Taxes payable
Biaya masih harus dibayar	9.391.148	1.287.542	Accrued expenses
Bunga yg masih harus dibayar	15.692.485	10.408.475	Accrued interest
Uang muka pelanggan	143.058	88.965	Advances from customers
Jumlah Liabilitas Lancar	26.142.382	105.281.408	Total Current Liabilities
LIABILITAS JANGKA PANJANG			NONCURRENT LIABILITIES
Pinjaman dari pihak berelasi	435.990.365	411.074.597	Loans from related parties
Liabilitas jangka panjang	37.289	90.394	Long-term loans
Liabilitas imbalan kerja	4.487.336	5.731.303	Employment benefits obligation
Uang muka jaminan	-	266.896	Advance on deposits
Liabilitas jangka panjang lainnya	575.528	-	Other long-term liabilities
Jumlah Liabilitas	467.232.900	522.444.598	Total Liabilities
EKUITAS			EQUITY
Modal saham - nilai nominal Rp 100 per saham			Capital stock - Rp 100 par value per share
Modal dasar - 17.000 juta saham			Authorized - 17,000 million shares
Modal ditempatkan dan disetor - 5.210.192.000 saham pada 31 Desember 2016 dan 2015	56.892.154	56.892.154	Subscribed and paid-up - 5,210,192,000 shares at December 31, 2016 and 2015
Tambahan modal disetor	250.921.612	250.847.921	Additional paid-in capital
Komponen ekuitas lainnya	65.561.100	65.864.656	Other components of equity
Defisit			Deficit
Dicadangkan	5.312.496	5.312.496	Appropriated
Tidak dicadangkan	93.856.609	78.085.633	Unappropriated
Jumlah Ekuitas	472.543.971	457.002.860	Total Equity
JUMLAH LIABILITAS DAN EKUITAS	939.776.871	979.447.458	TOTAL LIABILITIES AND EQUITY

PT. INDIKA ENERGY Tbk
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN TERSENDIRI
(ENTITAS INDUK)
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk
STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

	2016 US$	2015 US$	
PENDAPATAN	3.707.742	1.110.672	REVENUES
BEBAN POKOK PENJUALAN	2.355.073	1.879.561	COST OF REVENUES
LABA (RUGI) KOTOR	1.352.669	(768.889)	GROSS PROFIT (LOSS)
Pendapatan dividen	92.657.471	91.101.008	Dividend income
Pendapatan investasi	1.785.054	2.537.715	Investment income
Beban keuangan	(38.420.293)	(42.546.939)	Finance cost
Beban umum dan administrasi	(28.634.549)	(23.866.341)	General and administrative expenses
Pajak final	(337.436)	(88.965)	Final tax
Lain-lain - bersih	(12.631.940)	48.515.702	Others - net
LABA BERSIH TAHUN BERJALAN	15.770.976	74.883.291	PROFIT FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN			OTHER COMPREHENSIVE INCOME
Pos-pos yang tidak akan direklasifikasi ke laba rugi:			*Item that will not be reclassified subsequently to profit or loss:*
Pengukuran kembali program imbalan pasti	(303.556)	393.151	Remeasurement of defined benefits obligation
JUMLAH PENDAPATAN KOMPREHENSIF	15.467.420	75.276.442	TOTAL COMPREHENSIVE INCOME

PT. INDIKA ENERGY Tbk
LAPORAN PERUBAHAN EKUITAS
(ENTITAS INDUK)
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk
STATEMENTS OF CHANGES IN EQUITY
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

	Komponen Ekuitas Lainnya/*Other Components of Equity*								
	Modal disetor/ *Capital stock*	Tambahan modal disetor/ *Additional paid-in capital*	Modal lain-lain - opsi saham karyawan/ *Other capital - employee stock option*	Pengukuran kembali atas program imbalan pasti sesuai dengan PSAK 24, Imbalan Kerja/ *Remeasurement of defined benefit liability in accordance with PSAK 24, Employee Benefit*	Ekuitas lainnya/ *Other equity*	Saldo laba/ *Retained earnings*		Jumlah ekuitas/ *Total equity*	
						Saldo laba/ *Appropriated*	Tidak dicadangkan/ *Unappropriated*		
	US$	US$	US$	US$	US$	US$	US$	US$	
Saldo per 1 Januari 2015	56.892.154	250.847.921	7.816.296	470.849	57.184.360	5.312.496	3.202.342	381.726.418	Balance as of January 1, 2015
Laba bersih tahun berjalan	-	-	-	-	-	-	74.883.291	74.883.291	Net profit for the year
Penghasilan komprehensif lain									Other comprehensive income
Keuntungan aktuarial atas kewajiban manfaat pasti	-	-	-	393.151	-	-	-	393.151	Actuarial gains on defined benefits obligation
Jumlah pendapatan komprehensif	-	-	-	393.151	-	-	74.883.291	75.276.442	Total comprehensive income
Saldo per 31 Desember 2015	56.892.154	250.847.921	7.816.296	864.000	57.184.360	5.312.496	78.085.633	457.002.860	Balance as of December 31, 2015
Laba bersih tahun berjalan	-	-	-	-	-	-	15.770.976	15.770.976	Profit for the year
Penghasilan komprehensif lain									Other comprehensive income
Kerugian aktuarial atas kewajiban manfaat pasti	-	-	-	(303.556)	-	-	-	(303.556)	Actuarial loss on defined benefits obligation
Jumlah pendapatan komprehensif	-	-	-	(303.556)	-	-	15.770.976	15.467.420	Total comprehensive income
Modal disetor lainnya	-	73.691	-	-	-	-	-	73.691	Other paid-in capital
Saldo per 31 Desember 2016	56.892.154	250.921.612	7.816.296	560.444	57.184.360	5.312.496	93.856.609	472.543.971	Balance as of December 31, 2016

PT. INDIKA ENERGY Tbk
LAPORAN ARUS KAS TERSENDIRI
(ENTITAS INDUK)
UNTUK TAHUN-TAHUN YANG BERAKHIR
31 DESEMBER 2016 DAN 2015

PT. INDIKA ENERGY Tbk
STATEMENTS OF CASH FLOWS
(PARENT ENTITY ONLY)
FOR THE YEARS ENDED
DECEMBER 31, 2016 AND 2015

	2016 US$	2015 US$	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	7.849.351	3.722.347	Cash receipts from customers
Pengeluaran kas kepada pemasok	(5.391.087)	(8.169.109)	Cash paid to suppliers
Pengeluaran kas kepada direktur dan karyawan	(11.898.184)	(10.593.854)	Cash paid to directors and employees
Kas yang digunakan untuk operasi	(9.439.920)	(15.040.616)	Cash used in operations
Penghasilan bunga	1.715.662	1.916.618	Interest received
Pembayaran beban keuangan	(27.352.628)	(42.116.197)	Payment of finance cost
Penempatan klaim pengembalian pajak	(3.849.207)	(3.128.480)	Placement of claim for tax refund
Pembayaran pajak	(3.175.453)	(3.384.570)	Payment of taxes
Kas Bersih Yang Digunakan Untuk Aktivitas Operasi	(42.101.546)	(61.753.245)	Net Cash Used in Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan dividen	96.403.124	107.355.397	Dividends received
Pengembalian pinjaman dari pihak berelasi	76.056.236	75.000.000	Receipt of payment of loan to related party
Penerimaan uang muka dan aset tidak lancar lainnya	2.517.611	-	Receipt of advances and other noncurrent assets
Hasil penjualan aset tetap	1.546.705	78.405	Proceeds from sale of property, plant and equipment
Pencairan (penempatan) aset keuangan lainnya	1.087.350	(1.087.351)	Withdrawal (placement) of other financial assets
Pinjaman ke pihak berelasi	(32.125.479)	(85.000.000)	Loan to related parties
Pembayaran uang muka dan aset tidak lancar lainnya	(419.560)	(19.592.403)	Payment of advances and other noncurrent assets
Perolehan aset tetap	(265.223)	(5.736.938)	Acquisition of property, plant and equipment
Penerimaan dari pihak berelasi	-	7.103.183	Proceeds from related parties
Pembayaran ke pihak berelasi	-	(7.020.000)	Payment to related parties
Perolehan aset tidak berwujud	-	(88.350)	Acquisition of intangible assets
Kas Bersih Yang Diperoleh Dari Aktivitas Investasi	144.800.764	71.011.943	Net Cash Provided by Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan dari utang bank	86.000.000	192.500.000	Proceeds from bank loans
Pembayaran utang bank dan utang jangka panjang	(178.556.912)	(130.102.331)	Payment of bank loans and long-term loans
Pembayaran pinjaman ke pihak berelasi	-	(77.143.800)	Payment of loan to a related party
Pembayaran biaya transaksi atas pinjaman	-	(1.049.993)	Payment for transaction cost related to loan
Kas Bersih Yang Digunakan Untuk Aktivitas Pendanaan	(92.556.912)	(15.796.124)	Net Cash Used in Financing Activities
(PENURUNAN) KENAIKAN BERSIH KAS DAN SETARA KAS	10.142.306	(6.537.426)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	29.618.713	36.842.758	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
Pengaruh perubahan kurs mata uang asing	(3.251.210)	(686.619)	Effects of foreign exchange rate changes
KAS DAN SETARA KAS AKHIR TAHUN	36.509.810	29.618.713	CASH AND CASH EQUIVALENTS AT END OF YEAR

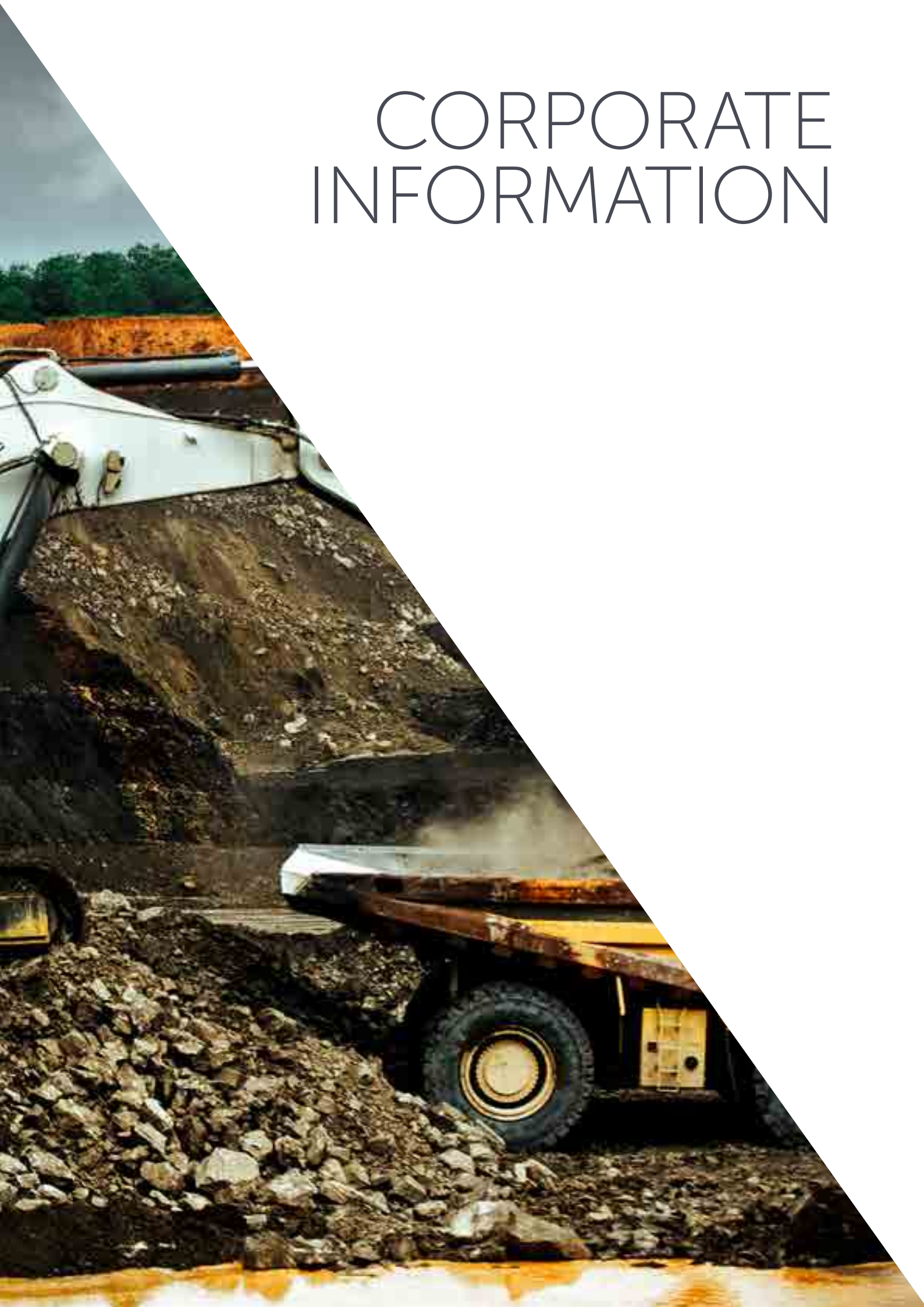
Rincian investasi pada entitas anak dengan metode biaya adalah sebagai berikut:

Details of investment in subsidiaries at cost are as follows:

Entitas Anak/ *Subsidiaries*	Domisili/ *Domicile*	Jenis Usaha/ *Nature of Business*	Persentase Kepemilikan/ *Percentage of Ownership*		Biaya perolehan/ *Acquisition cost*	
			31/12/2016	31/12/2015	31/12/2016	31/12/2015
					US$	US$
PT Indika Indonesia Resources (IIR)	Jakarta/ *Jakarta*	Pertambangan dan perdagangan dasar/ *Mining and trading*	90,00%	90,00%	405.100.722	387.700.722
PT Indika Inti Corpindo (IIC)	Jakarta/ *Jakarta*	Investasi dan perdagangan umum/ *Investment and general trading*	99,99%	99,99%	51.532.960	51.532.960
PT Indika Infrastruktur Investindo (III)	Jakarta/ *Jakarta*	Investasi/ *Investment*	99,97%	99,97%	12.474.452	12.474.452
PT Indika Power Investments Pte. Ltd., Singapore (IPI)	Singapura/ *Singapore*	Investasi/ *Investment*	100,00%	100,00%	63.056	63.056
Indo Integrated Energy B.V. (IIE BV)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100,00%	100,00%	2.595.811	2.595.811
Indo Integrated Energy II B.V. (IIE BV II)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100,00%	100,00%	2.321.853	2.321.853
Indo Energy Finance B.V. (IEF BV)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100,00%	100,00%	3.968.735	3.921.719
Indo Energy Finance II B.V. (IEF BV II)	Belanda/ *Netherlands*	Pembiayaan/ *Financing*	100,00%	100,00%	3.037.922	3.007.307
PT Indika Multi Energi (IME)	Jakarta/ *Jakarta*	Perdagangan, pembangunan, perindustrian, pertanian, percetakan, perbengkelan, pengangkutan dan jasa/ *Trading, development, industrial, agriculture, printing,workshop, transportation and services*	99,60%	99,60%	7.044.867	25.613
PT Tripatra Engineering (TPE)	Jakarta/ *Jakarta*	Jasa konsultasi untuk bidang-bidang konstruksi, industri dan infrasruktur/ *Consultation services for construction, industry and infrastructure*	99,99%	99,99%	60.241	60.241
PT Tripatra Engineers and Constructors (TPEC)	Jakarta/ *Jakarta*	Jasa konsultasi, konstruksi, bisnis, perdagangan dan industri/ *Provision of consultancy services, construction business and trading*	99,99%	99,99%	40.683.740	40.683.740
PT Indika Energy Infrastructure (IEI)	Jakarta/ *Jakarta*	Perdagangan, pembangunan dan jasa/*Trading, development*	99,99%	99,99%	182.070.590	182.070.590
PT Petrosea Tbk (Petrosea)	Jakarta/ *Jakarta*	Rekayasa, kontruksi, pertambangan dan jasa lainnya/ *Engineering, construction, mining and other services*	69,80%	69,80%	71.639.936	71.639.936
PT Indy Properti Indonesia (IPY)	Jakarta/ *Jakarta*	Pembangunan, jasa dan perdagangan/ *Development, services and trading*	99,60%	99,60%	20.638	20.638
					782.615.523	758.118.638


PETROSEA
K0136
LIEBHERR

CORPORATE INFORMATION





Corporate Information

COMPANY NAME

PT INDIKA ENERGY TBK.

DATE OF ESTABLISHMENT

19 October 2000

SHAREHOLDER COMPOSITION
(AS OF 31 DECEMBER 2016)

SHAREHOLDER	SHARES	%
PT Indika Mitra Energi	3,307,097,790	63.47
Eddy Junaedy Danu	81,880,500	1.57
PT Indika Mitra Holdiko	10	0.00
Publik	1,821,213,700	34.96

DOMICILE

PT Indika Energy Tbk.
Graha Mitra 11th Floor
Jl. Jendral Gatot Subroto Kav. 21
Jakarta 12930
Indonesia



TICKER CODE

INDY

LISTED EXCHANGE

Indonesia Stock Exchange (IDX)

BUSINESS ACTIVITIES

Operating and investing in energy resources, energy services and energy infrastructure through subsidiaries and associate companies.

PUBLIC ACCOUNTANT FIRM

Satrio Bing Eny & Partners
(Member of Deloitte Touche Tohmatsu)

The Plaza Office Tower 32nd Floor
Jl. M.H. Thamrin Kav 28-30
Jakarta 10350
Indonesia

Tel.: (+62-21) 2992 3100
Fax: (+62-21) 2992 8200 / 8300

SHARE REGISTRAR

PT Datindo Entrycom
Puri Datindo – Wisma Sudirman
Jl. Jend. Sudirman Kav. 34-35
Jakarta 10220
Indonesia

Tel.: (+62-21) 570-9009
Fax: (+62-21) 570-9026

RATING AGENCY

Moody's Singapore Pte. Ltd.

50 Raffles Place #23-06
Singapore Land Tower 048623

Tel.: (65) 6398-8300
Fax: (65) 6398-8301
Website: www.moodys.com

PT Fitch Ratings Indonesia

Prudential Tower 20th Floor
Jl. Jend. Sudirman Kav. 79
Jakarta Selatan 12910 – Indonesia

Tel.: (+62-21) 5795-7755
Fax: (+62-21) 5795-7750
Website: www.fitchratings.com

Company Addresses

PT INDIKA ENERGY TBK.

Graha Mitra 3rd Floor
Jl. Jend. Gatot Subroto Kav. 21
Jakarta 12930
Indonesia
Tel.: (62-21) 2557-9888
Fax: (62-21) 2557-9800

Website: www.indikaenergy.co.id

Corporate Secretary: Dian Paramita
corporate.secretary@indikaenergy.co.id

Investor Relations: Retina Rosabai
investor.relations@indikaenergy.co.id

ICI

INDIKA CAPITAL INVESTMENTS PTE. LTD.

9 Temasek Boulevard #08 – 02
Suntec Tower Two
Singapore 038989

Website: www.indikaenergy.co.id

IIR

PT INDIKA INDONESIA RESOURCES

Graha Mitra 4th Floor
Jl. Jend. Gatot Subroto Kav. 21
Jakarta 12930
Indonesia
Tel.: (62-21) 2557-9888
Fax: (62-21) 2557-9898
Website: www.indikaenergy.co.id

MEA

PT MITRA ENERGI AGUNG

Graha Mitra 4th Floor
Jl. Jend. Gatot Subroto Kav. 21
Jakarta 12930
Indonesia
Tel.: (62-21) 2557-9888
Fax: (62-21) 2557-9898
Website: www.indikaenergy.co.id

MUTU

PT MULTI TAMBANGJAYA UTAMA

Graha Mitra 4th Floor
Jl. Jend. Gatot Subroto Kav. 21
Jakarta 12930
Indonesia
Tel.: (62-21) 2557-9888
Fax: (62-21) 2557-9898
Website: www.indikaenergy.co.id

KIDECO

PT KIDECO JAYA AGUNG

Menara Mulia 17th Floor Suite 1701
Jl. Jend. Gatot Subroto Kav. 9–11
Jakarta 12930
Indonesia
Tel.: (62-21) 525-7626
Fax: (62-21) 525-7662
Website: www.kideco.com

TRIPATRA

PT TRIPATRA ENGINEERS & CONSTRUCTORS (TPEC)

PT TRIPATRA ENGINEERING (TPE)

Indy Bintaro Office Park, Building A
Jl. Boulevard Bintaro Jaya Blok B7/A6
Sektor VII, CBD Bintaro Jaya
Tangerang Selatan 15224
Indonesia
Tel.: +62 21 2977 0700
Fax: +62 21 2977 0701
Website: www.tripatra.com

PETROSEA

PT PETROSEA TBK.

Indy Bintaro Office Park, Building B
Jl. Boulevard Bintaro Jaya Blok B7/A6
Sektor VII, CBD Bintaro Jaya
Tangerang Selatan 15224
Indonesia
Tel.: +62 21 2977 0999
Fax: +62 21 2977 0988
Website: www.petrosea.com

Ticker Code: **PTRO**

MBSS

PT MITRABAHTERA SEGARA SEJATI TBK.

Menara Karya Building 12th Floor
Jl. H.R. Rasuna Said Blok X-5 Kav. 1-2
Kuningan, Jakarta 12950
Indonesia
Tel.: (62-21) 5794-4755, 5794-4766
Fax: (62-21) 5794-4767, 5794-4768
Website: www.mbss.co.id

Ticker Code: **MBSS**

This page is intentionally left blank.

STATEMENT LETTER

BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS **REGARDING RESPONSIBILITY FOR the 2016 ANNUAL REPORT OF PT INDIKA ENERGY TBK.**

We undersigned hereby state that the information contained in the 2016 Annual Report of PT INDIKA ENERGY TBK. is complete and we are fully responsible for the veracity of the contents of this Annual Report.

The statement has been made truthfully.

Jakarta, 5 April 2017

BOARD OF DIRECTORS

M. ARSJAD RASJID P.M.
President Director

AZIS ARMAND
Director

EDDY JUNAEDY DANU
Independent Director

BOARD OF COMMISSIONERS

AGUS LASMONO
President Commissioner

M. CHATIB BASRI
Independent Commissioner

BOYKE W. MUKIYAT
Independent Commissioner

RICHARD BRUCE NESS
Commissioner

This page is intentionally left blank.

PT INDIKA ENERGY TBK.
Graha Mitra, 3rd Floor
Jl. Jend. Gatot Subroto Kav. 21, Jakarta 12930, Indonesia
corporate.secretary@indikaenergy.co.id
investor.relation@indikaenergy.co.id

www.indikaenergy.co.id