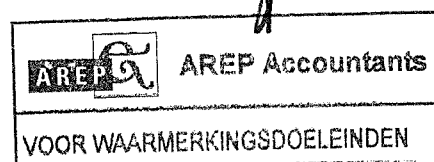


**GMR Energy (Netherlands) B.V.  
Amsterdam**

**Annual report for the year ended**

**31 March 2017**

GMR Energy (Netherlands) B.V.  
Schiphol Boulevard 359  
1118 BJ Amsterdam Schiphol airport  
The Netherlands  
Chamber of Commerce: 34219002



**GMR Energy (Netherlands) B.V.  
Amsterdam**

Index Page  
31 March 2017

Director's report	2
Balance sheet as at 31 March 2017	3
Profit & loss account for the year ended 31 March 2017	4
Notes to the financial statements	5
Supplementary information	11
Auditors' report	12

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Director's report

The director herewith submits the annual report for the financial year ended 31 March 2017.

GMR Energy (Netherlands) B.V. ("the Company") with corporate seat in Amsterdam, The Netherlands was incorporated as a private company (besloten vennootschap) with limited liability under the laws of the Netherlands on 5 January 2005. GMR Energy (Cyprus) Ltd. acquired the shares of the Company on 26 August 2008.

The main objective of the Company is to act as an investment holding company in coal mining asset.

**ACTIVITIES**

During the year the acted as a holding and finance company. An amount of USD 2,175,000 in relation to the loan from Strait Merchant was reclassified from long term to short term as payment of this amount fell due during the year. A new loan was granted to PT Duta Sarana Internusa for an amount of USD 29,821,055. The loan payable in current account with GMR Energy (Mauritius) Ltd. has been assigned the GMR Energy (Project) Mauritius Ltd, as per year end this loan amounts to USD 35,097,608. An amount of USD 26,394,000 was received during the year from GMR Infrastructure (Mauritius) Ltd. these funds were used to finance the group. Other then the financing activities the Company continued to hold the various subsidiaries.

**RESULTS**

In applying the accounting policies and best practices for preparing the financial statements, management makes a range of estimates and judgements that might be essential for the amounts disclosed in the financial statements. If necessary the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question. Actual amounts may differ from these estimates.

The results for the year are presented in the annexed accounts.

**FUTURE DEVELOPMENTS**

The Company has entered into an agreement for the sale of the participation in the Indonesian mining companies.

**POST BALANCE SHEET EVENTS**

The Company is currently in the process of selling its subsidiaries and the manditory convertible bonds.

**DIRECTORS**

The director who served during the year under review was:  
Zedra Management B.V.

The Director, Amsterdam Schiphol airport, 16 May 2017

Zedra Management B.V.

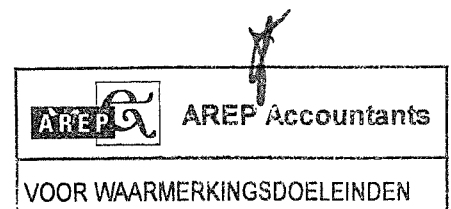
**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Balance sheet as at 31 March 2017

(Before appropriation of results)

Notes	31 March 2017 USD	31 March 2016 USD
<b>FINANCIAL FIXED ASSETS</b>		
Participations	3	28,807,981
Loans to subsidiary companies	4	32,850,675
	<u>61,658,656</u>	<u>61,658,656</u>
<b>CURRENT ASSETS</b>		
Receivable from affiliated company	5	23,620,764
Loans receivable subsidiary companies	6	29,821,055
Interest receivable on loan to subsidiary		854,145
VAT receivable		1,454
Cash at banks	7	28,983
	<u>54,326,400</u>	<u>26,925,007</u>
<b>CURRENT LIABILITIES</b>		
Payable to affiliated companies	8	62,074,613
Accounts payable		17,449
Other payables and accrued expenses	9	13,013
Other payable	10	13,562,500
	<u>75,667,575</u>	<u>40,716,262</u>
Net current assets	(21,341,175)	(13,791,255)
<b>NET ASSETS</b>	<u>40,317,481</u>	<u>47,867,401</u>
<b>LONG TERM LIABILITIES</b>		
Other Payable	10	-
		7,500,000
<b>ASSETS LESS LIABILITIES</b>	<u>40,317,481</u>	<u>40,367,401</u>
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	11	20,089
Share premium		54,340,886
Currency translation adjustment		6,188
Accumulated Deficit		(13,999,762)
Result for the year		(49,920)
	<u>40,317,481</u>	<u>40,367,401</u>

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Profit and loss account for the year ended 31 March 2017

	Year 1 April 2016 31 March 2017 USD	Year 1 April 2015 31 March 2016 USD
<b>OPERATIONAL INCOME AND (EXPENSES)</b>		
Management and administrative fee	(28,155)	(32,193)
Tax advise fee	(4,689)	(4,872)
Legal fee	-	(11,874)
Audit fee	(8,127)	(8,880)
Bank fees	(4,498)	(4,350)
Other operating expenses	(183)	57
	(45,652)	(62,113)
<b>FINANCIAL INCOME AND (EXPENSES)</b>		
Interest income from subsidiary company	291,241	4,738
Interest expenses on group companies	(296,183)	(152,263)
Interest expenses on bank loans	-	(164,030)
Interest and Bank charges	-	(2,436)
Exchange results	673	(989)
	(4,269)	(314,980)
Result for the year before taxation	(49,920)	(377,093)
Corporate income tax	-	-
Result for the year after taxation	(49,920)	(377,093)



**GMR Energy (Netherlands) B.V.**

**Amsterdam**

Notes to the balance as at 31 March 2017

**1. GENERAL**

GMR Energy (Netherlands) B.V. ("the Company") with corporate seat in Amsterdam, The Netherlands was incorporated as a private company (besloten vennootschap) with limited liability under the laws of the Netherlands on 5 January 2005. GMR Energy (Cyprus) Ltd. acquired the shares of the Company on 26 August 2008.

In addition to the companies as stated under the participations, GMR Energy Limited, Mumbai, India and GMR Energy (Cyprus) Ltd, Nicosia, Cyprus, GMR Energy Mauritius Ltd., Mauritius and GMR Coal Resources Pte Ltd., Singapore are related companies to the Company.

In 2009 the Company acquired via participations a coal mine in Indonesia and invested an aggregated USD 8,8 million. As from 2009 the Company acquired convertible bonds issued earlier by the participations for an amount of USD 32.8 million. As from 2010 the Company entered into a non-interest bearing Convertible Bonds Subscription Agreement, in March 2013 by supplemental agreement renamed to Convertible Bond Subscription Agreement with PT Duta Sarana Internusa (PTDSI) for subscribing up to USD 36,1 million (12.28 million up to 2011, 14.8 million up to 2012, USD 9 million up to 2013) and after repayment of USD 31,6 million in previous year to a remaining balance of USD 4,5 million leaving an unchanged balance of USD 4,5 million at balance sheet date. As from 2012, the Company has also provided a revolving line of credit facility up to USD 40 million by second supplemental agreement to an affiliated company, which is drawn up to USD 29,7 million (2014: 31,9 million). The Company along with its parent acquired PT Dwikarya Sehati Utama (PTDSU) for a consideration of USD 40 million and a deferred consideration to be determined and paid on achievement of certain conditions as specified in the share purchase agreement. PTDSI, a step down subsidiary of PTDSU has pledged 60% shares of PT Barasentosa Lestari (PTBSL) with the sellers of PTDSU.

On 25 June 2014, the Company has settled and agreed upon by "the settlement agreement" for the deferred consideration for the completion of the acquisition of PTDSI (including released pledged shares of PT BSL) at USD 20 million with Strait Merchants. In this regard USD 5 million was already paid in June 2014. The balance USD 15 million is to be paid over 16 equal instalments of USD 937,500 starting from June 2015 and ending on 30 March 2019.

Upon execution of the settlement agreement both the parties had withdrawn and closed out all legal suits and arbitration proceedings and 25% of the pledged shares have been released and balance 35% pledged shares shall be released based on agreed upon payments. During the year under review the Company repaid the bankloans partly by using funds that have been repaid on loans issued to the subsidiary and by new intergroup refinancing.

The principal activity of the Company is to act as an investment holding company in coal mining asset.

**2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in conformity with the requirements of the Netherlands Civil Code.

The Company qualifies as a small sized company. Therefore, based on article 396 Book 2 of the Netherlands Civil Code, the Company applied certain exemptions in the presentations and disclosures in the financial statements.

In applying the accounting policies and best practices for preparing the financial statements, management makes a range of estimates and judgements that might be essential for the amounts disclosed in the financial statements. If necessary for the purpose of providing the view required under article 362, Book 2 of the Netherlands Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question. Actual amounts may differ from these estimates.

No consolidation is performed as the Company decided to apply the exemption for consolidation as is permitted under article 408, title 9 of Book 2 of the Netherlands Civil Code.

The functional currency of GMR Energy (Netherlands) B.V. is the United States Dollars (USD) as the majority of transactions takes place in USD. The most significant accounting policies applied are:

**(a) Participations**

Interests in group entities are valued at historical cost plus direct to participation attributable costs, such as bank fees, lawyer fees and costs of legal advice. Permanent impairment of cost price with net asset value will lead to a diminution in value to this lower value.

**(b) Loans to subsidiaries**

Receivables disclosed under financial assets are stated at the fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary.

**(c) Foreign currencies**

Transactions arising in foreign currencies are translated into the local currency at the exchange rate at the date of the transaction. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the year-end rates of exchange. The resulting net translation gains or losses are included in the profit and loss account.

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**

Notes to the balance as at 31 March 2017 - continued

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Assets and liabilities

All assets and liabilities for which no other valuation is mentioned are stated at the amounts at which they were acquired or incurred

(e) Taxation

Tax on result is calculated by applying the current rate on the result for the financial year in the profit and loss account, taking into account tax losses carry-forward and tax exempt profit elements and after inclusion of non-deductible costs.

(f) Revenue recognition

Other income and expenses, including taxation, are recognised and reported on an accrual basis.

3. PARTICIPATIONS	Ownership %-age	2017 USD	2016 USD
PT Dwikarya Sejati Utama, Indonesia	99%	28,678,021	28,678,021
PT Duta Sarana Internusa, Indonesia	1%	13,635	13,635
PT Unsoco, Indonesia	99%	116,325	116,325
		28,807,981	28,807,981

Movements in the amount of participations can be summarised as follows:

	PT Dwikarya Sejati Utama	PT Duta Sarana Internusa	PT Unsoco	Total
Balance 1 April 2015	28,678,021	13,635	116,325	28,807,981
Balance 31 March 2016	28,678,021	13,635	116,325	28,807,981
Revaluation	0	0	0	0
Balance 31 March 2017	28,678,021	13,635	116,325	28,807,981

PT Dwikarya Sejati Utama, Jakarta, Indonesia

The Company holds 99% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 1,000,000,000 of PT Dwikarya Sejati Utama, Jakarta, Indonesia.

PT Duta Sarana Internusa, Jakarta, Indonesia

The Company holds 1% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 1,000,000,000 of PT Duta Sarana Internusa, Jakarta, Indonesia.

PT Unsoco, Jakarta, Indonesia

The Company holds 99% of the issued and paid up share capital amounting to Indonesian Rupiah (IDR) 1,000,000,000 of PT Unsoco, Jakarta, Indonesia.

On 25 June 2014, the Company has entered into and agreed upon "the settlement agreement" for a consideration of USD 20 million. The settlement agreement arranges several disputes and matters arising out of or in connection with the Share SPA, the MCB SPA and the Old Pledge Agreements.

In the settlement agreement the consideration of USD 20 million has not been attributed to the respective disputes.

The Company has treated the settlement amount payable to be against shares in participations and the amount has been accordingly included in the participations. Upon execution of the settlement agreement both the parties had withdrawn and closed out all legal suits and arbitration proceedings and 25% of the pledged shares have been released and balance 35% pledged shares shall be released based on agreed upon payments. During the year under review, the Company has paid USD 200,000 (2016-2017: USD 2.2 million).

**GMR Energy (Netherlands) B.V.  
Amsterdam**

Notes to the balance as at 31 March 2017 - continued

**4. LOANS SUBSIDIARY COMPANIES**

The loans refer to investments in Mandatory Convertible Bond's (MCB) issued by PT Dwikarya Sejati Utama and PT

	Nominal value USD	31 March 2017 USD	31 March 2016 USD
MCB DSU (formerly owned by SML)	2,228,865	9,954,750	9,954,750
MCB DSU (formerly owned by GSAM)	1,693,890	9,954,750	9,954,750
MCB DSU (formerly owned by NP)	2,384,268	12,941,175	12,941,175
		<u>32,850,675</u>	<u>32,850,675</u>
		=====	=====

Movements in the MCB's can be summarised as follows:

	Balance 31 March 2015	Movements 2015/2016	Balance 31 March 2016	Movements 2016/2017	Balance 31 March 2017
MCB DSU (formerly owned by SML)	9,954,750	-	9,954,750	-	9,954,750
MCB DSU (formerly owned by GSAM)	9,954,750	-	9,954,750	-	9,954,750
MCB DSU (formerly owned by NP)	12,941,175	-	12,941,175	-	12,941,175
	<u>32,850,675</u>	<u>-</u>	<u>32,850,675</u>	<u>-</u>	<u>32,850,675</u>
	=====	=====	=====	=====	=====

On 24 February 2009 the Mandatory Convertible Bonds (MCB) SML, GSAM and NP issued on 10 April 2008 and 25 November 2008 by PT Dwikarya Sejati Utama, Jakarta, Indonesia, were assigned to the Company. The MCB's do not bear interest. In April 2012 and November 2012, the original maturity dates by amended agreements were extended to 10 April 2016 for the MCB's issued on 10 April 2008 and to 25 November 2016 for the MCB issued on 25 November 2008.

During 2010-2011, the Company entered into a Mandatory Convertible Bonds Subscription agreement with PT Duta Sarana Internusa for subscribing to the proposed issue of Bonds, in March 2013 by supplemental agreement renamed to Convertible Bond Subscription Agreement.

**5. RECEIVABLE FROM AFFILIATED COMPANY**

	31 March 2017 USD	31 March 2016 USD
GMR Coal Resources Pte Ltd., Singapore	22,626,466	22,796,466
GMR Energy (Project) Mauritius Ltd, Mauritius	994,298	3,558,298
	<u>23,620,764</u>	<u>26,354,764</u>
	=====	=====

GMR Coal Resources Pte Ltd., Singapore

The intercompany agreement dated 19 April, 2012 bears no interest and there are no fixed repayments.

The advance shall not exceed USD 40,000,000 and may be given in one or more tranches.

GMR Energy (Project) Mauritius Ltd, Mauritius

The intercompany agreement dated 2015 bears 0% interest p.a. and there are no fixed repayments.

The advance shall not exceed USD 20,000,000 and may be given in one or more tranches.



**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Notes to the balance as at 31 March 2017 - continued

6. LOANS RECEIVABLE FROM GROUP COMPANIES

	31 March 2017 USD	31 March 2016 USD
PT Duta Sarana Internusa, revolving line of credit	29,821,055	-
	29,821,055	-

During the year the Company has provided a revolving line facility of initially USD 30 million which bears interest LIBOR + 0.5% per annum. The loan is payable in annual arrears from drawdown date.

7. CASH AT BANKS

	31 March 2017 USD	31 March 2016 USD
ING Bank, Amsterdam (EUR current)	2,229	2,434
ING Bank, Amsterdam (USD current)	26,753	3,480
Axis Bank, Dubai (USD current)	1	1
	28,983	5,915

All cash at bank is available upon demand.

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Notes to the balance as at 31 March 2017 - continued

8. PAYABLE TO AFFILIATED COMPANIES

	31 March 2017 USD	31 March 2016 USD
GMR Energy (Mauritius) Ltd, Mauritius	-	33,413,260
Interest payable on loan GMR Energy (Mauritius) Ltd, Mauritius	-	286,822
PT Duta Sarana Internusa, Indonesia	-	418,230
GMR Energy (Project) Mauritius Ltd, Mauritius	35,097,608	-
Interest payable on loan GMR Energy (Project) Mauritius Ltd, Mauritius	461,284	-
GMR Infrastructure (Mauritius) Ltd	26,394,000	-
Interest payable on loan GMR Infrastructure (Mauritius) Ltd.	121,721	-
	62,074,613	34,118,312
	62,074,613	34,118,312

GMR Energy (Mauritius) Ltd, Mauritius:

The intercompany agreement dated 20 February 2016 bears 0,5% interest per annum and is due within twelve months from the date of remittance.

The advance shall not exceed USD 30 million and may be given in one or more tranches.

PT Duta Sarana Internusa, Indonesia

The intercompany agreement dated 20 February 2016 bears no interest per annum and is due within twelve months from the date of remittance.

GMR Energy (Project) Mauritius Ltd, Mauritius:

This loan agreement was assigned to GMR Energy (Project) Mauritius on the 28 July 2016. The loan attracts 0,5% interest per annum and is due on the 31st of March 2018

GMR Infrastructure (Mauritius) Ltd, Mauritius

The loan has not been secured attracts 1% interest per annum and has no maturity date.

9. OTHER PAYABLES AND ACCRUED EXPENSES

	31 March 2017 USD	31 March 2016 USD
Audit fees	8,252	8,880
Tax advisory fees	4,761	-
	13,013	8,880
	13,013	8,880

10. OTHER PAYABLE

	31 March 2017 USD	31 March 2016 USD
Strait Merchants "settlement agreement"	13,562,500	14,062,500
Strait Merchants, reclassified to current liability	(13,562,500)	(6,562,500)
	0	7,500,000
	0	7,500,000

On 25 June 2014, the Company has settled and agreed upon by "the settlement agreement" for the deferred consideration for the completion of the acquisition of PTDSI (including released pledged shares of PT BSL) at USD 20 million with Strait Merchants. In this regard USD 5 million was already paid in June 2014. The balance USD 15 million is to be paid over 16 equal instalments of USD 937,500 starting from June 2015 and ending on 30 March 2019.

Upon execution of the settlement agreement both the parties had withdrawn and closed out all legal suits and arbitration proceedings and 25% of the pledged shares have been released and balance 35% pledged shares shall be released based on agreed upon payments. In addition 35% of the shares of PT BSL are pledged as a security to the payable.

At balance sheet date 3 instalments are overdue and management is negotiating payment terms.

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Notes to the balance as at 31 March 2017 - continued

**11. SHARE CAPITAL AND RESERVES**

The authorised share capital of the Company, consisting of 90.000 (31 March 2016: 90.000) ordinary shares with a nominal value of EUR 1 each, amounts to EUR 90,000 (31 March 2016: EUR 90.000). As at 31 March 2017 18.000 ordinary shares (31 March 2016: 18.000) are issued and paid up. The capital of the Company amounts to EUR 18,000 (31 March 2016: EUR 18.000). The Company is 100% owned by GMR Energy (Cyprus) Ltd., Nicosia, Cyprus.

Movements in share capital and reserves are as follows:

	Share Capital USD	Currency translation reserve USD	Share Premium USD	Accumulated Deficit USD	Total USD
Balance 31 March 2015	19,366	6,911	54,340,886	(13,622,669)	40,744,494
Currency adjustment	1,127	(1,127)	-	-	0
Result for the year	-	-	-	(377,093)	(377,093)
Balance 31 March 2016	20,493	5,784	54,340,886	(13,999,762)	40,367,401
Currency adjustment	(404)	404	-	-	-
Result for the year	-	-	-	(49,920)	(49,920)
Balance 31 March 2017	20,089	6,188	54,340,886	(14,049,682)	40,317,481

**12. DIRECTORS**

The Company has 1 director (previous year: 1) who received USD 3,910 (previous year: USD 3,910) in that capacity during the year under review.

**13. EMPLOYEES**

The Company has no employees (previous year: none) and hence incurred no salaries, wages and/or related social security charges during the year under review, nor during the previous year.

The Director, Amsterdam Schiphol airport, 16 May 2017

Zedra Management B.V.

**GMR Energy (Netherlands) B.V.**  
**Amsterdam**  
Supplementary information

**APPROPRIATION OF RESULTS**

Dividends can only be declared with due observance of the company's articles of association and to the extent that the company's capital exceeds the paid in and called up capital, increased by the reserves that must be maintained in accordance with the law or its articles of association.

**PROPOSED APPROPRIATION OF RESULTS**

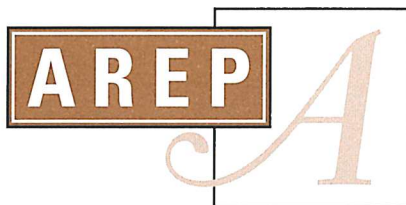
The directors propose to transfer the loss for the year to the accumulated deficit account.

**POST BALANCE SHEET EVENTS**

The Company is in the process of selling its subsidiaries and the mandatory convertible bonds, the envisaged sales price is in line with the value of these assets as stated in these financial statements, as a result no impairment is considered to be necessary.

**AUDITOR'S OPINION**

The auditors opinion is set out on the following page.



Accountants

Zwolseweg 27  
2994 LB Barendrecht  
Telefoon 010-242 42 42  
Telefax 010-242 42 18  
Website [www.arep.nl](http://www.arep.nl)  
E-mail [rotterdam@arep.nl](mailto:rotterdam@arep.nl)

ABN AMRO 49 88 55 295  
Iban nr. NL36 ABNA 0498855295  
Swiftcode ABN ANL 2A  
BTW NL 8124 99 128 B 01  
Beconnummer 276601

GMR Energy (Netherlands) B.V.  
T.a.v. de heer P.L. Oei  
Postbus 58176  
1040 HD AMSTERDAM

May 16<sup>th</sup>, 2017

## INDEPENDENT AUDITOR'S REPORT

### **A. Report on the audit of the financial statements for the year ended March 31<sup>st</sup> 2017 included in the annual report**

#### **Our opinion**

We have audited the financial statements for the year ended March 31<sup>st</sup>, 2017 of GMR Energy (Netherlands) B.V., based in Amsterdam..

In our opinion the accompanying financial statements give a true and fair view of the financial position of GMR Energy (Netherlands) B.V. as at 31 March 2017, and of its result for the year ended March 31<sup>st</sup> 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- 1 the balance sheet as at 31 March 2017;
- 2 the profit and loss account for the year ended at March 31<sup>st</sup> 2017; and
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of GMR Energy (Netherlands) B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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



## **B. Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

## **C. Description of responsibilities regarding the financial statements**

### **Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit 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 company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Barendrecht, May 16<sup>th</sup>, 2017

AREP Rotterdam B.V.

A handwritten signature in black ink, appearing to be 'G. van de Werken', written over a horizontal line.

Drs. G. van de Werken RA

RAV2017-028