

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**

**Consolidated Financial Statements**

For the year ended March 31, 2016

## Table of Contents

	<u>Pages</u>
<b>Independent Auditor's Report</b>	
Consolidated Statements of Financial Position	1
Consolidated Statements of Profit or Loss and Other Comprehensive Income	2
Consolidated Statements of Changes in Equity	3
Consolidated Statements of Cash Flow	4
Notes to the Consolidated Financial Statements	5 - 28
Supplementary Information	29 - 39

**INDEPENDENT AUDITORS' REPORT**

Ref : R-027/NAB-KPS/SYM03/IV/2016

**The Shareholders, Boards of Commissioners and Directors  
PT Niaga Antar Bangsa**

We have audited the accompanying consolidated financial statements of PT Niaga Antar Bangsa (the "Company") and its subsidiaries, which comprise the consolidated statement of financial position as of March 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity, and 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 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 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 these 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.

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 Niaga Antar Bangsa (the "Company") and its subsidiaries as of March 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

**Other matter**

Our audit of the accompanying consolidated financial statements of the Group as of March 31, 2016 and for the year then ended was 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 March 31, 2016, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "Financial information of the Parent Entity"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The financial information of the Parent Entity 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 Financial Information of the Parent Entity 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 Financial Information of the Parent Entity is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.



**Syamsudin**  
NRAP. 0209

April 21, 2016

Ref. : R-027/NAB-KPS/SYM03/IV/2016





**PT. NIAGA ANTAR BANGSA**

Graha Mustika Ratu Lt.3, Jl. Gatot Subroto Kav. 74-75 Jakarta Selatan, 12870

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Fax : 021 - 8307407

**BOARD OF DIRECTORS' STATEMENT**  
REGARDING  
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS  
AS AT AND FOR THE YEARS ENDED 31 MARCH 2016 AND 2015  
**PT. NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**

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We, the undersigned :

- |                  |   |   |
|------------------|---|---|
| 1. Name          | : | Mr. Dani Daksinaputra   |
| Office address   | : | Graha Mustika Ratu, lantai 3, Jl. Jend.Gatot Subroto Kav. 74 - 75 |
| Domicile address | : | Jl. Destarata 7 no. 10 – Tegal Gundil, Bogor Utara,               |
| based on ID Card | : | Kota Bogor 16152  |
| Phone number     | : | 021 - 8307406 / Fax 83007407 Kode Pos: 12870                      |
| Function         | : | Director  |

declare that :

1. We are responsible for the preparation and presentation of PT. Niaga Antar Bangsa & Subsidiaries' financial statements;
2. PT. Niaga Antar Bangsa & Subsidiaries' financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT. Niaga Antar Bangsa & Subsidiaries' Financial Statements have been disclosed in a complete and truthful manner;  
b. PT. Niaga Antar Bangsa & Subsidiaries' financial statements do not contain incorrect information nor materials fact, nor do they omit information or material facts;
4. We are responsible for PT. Niaga Antar Bangsa & Subsidiaries' internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 21 April 2016

  


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Dani Daksinaputra  
Director

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

	Notes	2016	2015
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	35,765,350,631	31,357,716,641
Sundry debtors	2d,4	459,880,507	-
Inventory	5	104,520,614,586	174,343,655,101
Advances	6	26,588,058,905	14,838,670,802
Prepaid expenses	7	4,272,709,693	4,884,750,807
Prepaid tax	2j,15a	84,885,750	84,885,750
<b>Total current assets</b>		<b>171,691,500,073</b>	<b>225,509,679,101</b>
<b>NON CURRENT ASSETS</b>			
Capital advance	8	16,638,200,000	17,338,910,915
Fixed assets - net	2f,9	238,103,991,114	292,512,307,950
Investments	2i	200,000,000	200,000,000
Deferred charges	2e,10	179,186,200,610	174,739,578,565
Deposits	11	27,612,759,154	25,911,979,169
Deferred tax assets	2j,15d	99,967,865,875	90,292,119,582
Others assets	12	8,045,680,857	3,599,662,397
<b>Total non current assets</b>		<b>569,754,697,610</b>	<b>604,594,558,578</b>
<b>TOTAL ASSETS</b>		<b>741,446,197,682</b>	<b>830,104,237,679</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Sundry creditors	2h,13	111,577,651,843	123,280,641,344
Provisions	14	28,369,675,521	15,806,539,606
Taxes payables	2j,15b	2,519,094,885	6,906,539,012
Other payables	16	875,358,557,106	407,589,336,115
<b>Total current liabilities</b>		<b>1,017,824,979,355</b>	<b>553,583,056,077</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for retirement benefits	17	18,649,691,552	22,289,317,232
Loans	18	39,971,115,222	538,967,241,919
<b>Total non-current liabilities</b>		<b>58,620,806,774</b>	<b>561,256,559,151</b>
<b>TOTAL LIABILITIES</b>		<b>1,076,445,786,129</b>	<b>1,114,839,615,228</b>
<b>EQUITY</b>			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1020 shares subscribed and fully paid up	20	510,000,000	510,000,000
Accumulated profit (Loss)		(243,153,374,407)	(209,481,102,676)
Additional paid in capital		(876,180,377)	(451,490,241)
Other comprehensive income		(11,123,165,028)	(7,422,798,068)
<b>Total Equity Attributable to Owners of the Company</b>		<b>(254,642,719,811)</b>	<b>(216,845,390,985)</b>
<b>Non controlling interest</b>		<b>(80,356,868,636)</b>	<b>(67,889,986,564)</b>
<b>TOTAL EQUITY - DEFICIT</b>		<b>(334,999,588,447)</b>	<b>(284,735,377,549)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>741,446,197,682</b>	<b>830,104,237,679</b>

See the accompanying notes form an integral part of these consolidated financial statement

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<b>SALES</b>	2k, 21	1,029,103,491,124	983,245,779,034
<b>COST OF SALES</b>	22	(952,533,064,234)	(832,399,426,815)
<b>GROSS PROFIT</b>		76,570,426,890	150,846,352,219
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	2k, 23	(117,642,686,291)	(109,355,873,558)
<b>OPERATING PROFIT</b>		(41,072,259,401)	41,490,478,661
<b>OTHER INCOME/ (EXPENSES)</b>	2k,24		
Other income		101,509,879,256	41,125,775,808
Other expenses		(115,049,106,700)	(197,592,355,474)
		(13,539,227,444)	(156,466,579,666)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>		(54,611,486,845)	(114,976,101,004)
Current tax	15b	-	(1,141,043,450)
Deferred tax	15c	8,351,396,422	23,874,267,641
		8,351,396,422	22,733,224,191
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		(46,260,090,423)	(92,242,876,813)
<b>OTHER COMPREHENSIVE INCOME</b>			
Actuarial losses		(4,933,822,613)	(9,897,064,090)
Related income tax		1,233,455,653	2,474,266,023
		(3,700,366,960)	(7,422,798,068)
<b>TOTAL COMPREHENSIVE INCOME</b>		(49,960,457,383)	(99,665,674,881)
<b>LOSS ATTRIBUTE TO:</b>			
Owners of the parent		(33,672,271,731)	(67,944,320,839)
Non controlling interest		(12,587,818,693)	(24,298,555,974)
		(46,260,090,423)	(92,242,876,813)
<b>Total Comprehensive Income Attributable to:</b>			
Owners of the parent		(37,372,638,690)	(75,367,118,906)
Non controlling interest		(12,587,818,693)	(24,298,555,974)
		(49,960,457,383)	(99,665,674,881)



**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

	Notes	Share capital	Other Comprehensive Income	Accumulated profit/(loss)	Additional paid in capital	Non controlling interest (NCI)	Total
Balance as of April 1, 2014	20	510,000,000	-	(141,536,781,837)	(451,490,241)	(43,591,430,590)	(185,069,702,668)
Additional share capital non controlling interest		-	-	-	-	-	-
Net profit (loss) for the year		-	(7,422,798,068)	(67,944,320,839)	-	(24,298,555,974)	(99,665,674,881)
<b>Balance as of March 31, 2015</b>	<b>20</b>	<b>510,000,000</b>	<b>(7,422,798,068)</b>	<b>(209,481,102,676)</b>	<b>(451,490,241)</b>	<b>(67,889,986,564)</b>	<b>(284,735,377,549)</b>
Additional share capital non controlling interest		-	-	-	(424,690,136)	120,936,621	(303,753,515)
Net profit (loss) for the year		-	(3,700,366,960)	(33,672,271,731)	-	(12,587,818,693)	(49,960,457,383)
<b>Balance as of March 31, 2016</b>	<b>20</b>	<b>510,000,000</b>	<b>(11,123,165,028)</b>	<b>(243,153,374,407)</b>	<b>(876,180,377)</b>	<b>(80,356,868,636)</b>	<b>(334,999,588,447)</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
For the year ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

	2016	2015
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before income tax</b>	<b>(49,960,457,383)</b>	<b>(99,665,674,881)</b>
<i>Add items not affecting operating cash flows</i>		
Depreciation of fixed assets	65,491,194,413	94,557,325,666
Retained earning adjusted	(303,753,515)	-
Amortization of deferred charges	14,656,648,504	13,636,938,533
Unrealized(gain) loss on foreign exchange	(23,471,958,495)	(45,986,763,596)
<b>Operating cash flows before changes in working capital</b>	<b>6,411,673,524</b>	<b>(37,458,174,278)</b>
<b>Changes in working capital</b>		
Sundry debtors	22,099,216,039	36,668,500
Inventory	69,823,040,515	(60,844,165,591)
Advances	(11,688,780,396)	(4,077,856,031)
Prepaid expenses	612,041,114	547,342,375
Prepaid taxes	-	(26,350,033,664)
Deposits	(1,633,066,529)	(7,386,682,034)
Sundry creditors	(10,467,412,939)	82,611,552,627
Provision	12,563,135,915	11,501,527,238
Taxes payables	(14,063,190,420)	(197,472,505)
Other payables	467,250,705,942	278,726,743,024
Provision for retirement benefits	(3,639,625,680)	7,783,668,570
<b>Net changes in working capital</b>	<b>530,856,063,561</b>	<b>282,351,292,509</b>
<b>Net cash flows provided from (used in) operating activities</b>	<b>537,267,737,084</b>	<b>244,893,118,231</b>
<b>Cash flows from investing activities</b>		
Advance capital	768,190,189	360,400,301
Acquisition of fixed assets	(12,067,225,708)	-
Disposal of fixed assets	984,348,131	2,659,835,011
Deferred charges	(19,103,270,549)	(3,121,961,000)
Other non-current assets	(4,446,018,460)	3,919,336,318
<b>Net cash flows used in investing activities</b>	<b>(33,863,976,397)</b>	<b>3,817,610,630</b>
<b>Cash flows from financing activities</b>		
Unsecured loans	(498,996,126,697)	(225,385,528,681)
<b>Net cash flows provided from financing activities</b>	<b>(498,996,126,697)</b>	<b>(225,385,528,681)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,407,633,990</b>	<b>23,325,200,180</b>
<b>Cash and cash equivalents at the begining of the year</b>	<b>31,357,716,641</b>	<b>8,032,516,461</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>35,765,350,631</b>	<b>31,357,716,641</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**1. GENERAL**

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**a. Establishment and general information**

PT NIAGA ANTAR BANGSA ( the "Company" ) was established on November 20, 2009 based on notarial deed No. 12 of Rohana Frieta, SH. The deed of establishment was approved by the Ministry of Justice in its decision letter No. AHU-57783, AH.01.01 year 2009 dated November 25, 2009. The Articles of Association has been amended several times, most recently by Notarial Deed No. 13 dated June 16, 2010, of Rohana Frieta, SH. concerning changes in the Company's management composition. The latest amendment was recorded by the Ministry of Justice and Human Rights in Company List No. AHU-AH.01.10-22216 dated June 07, 2013.

According to Article 3 of its Articles of Association, the Company's scope of activities comprises services, trading, construction, printing, freight, workshop and trading.

The Company is domiciled in Jakarta.

**b. Board of Commissioners and Directors, and employees**

The composition of the Company's Boards of Commissioner and Director is as follows:

	2016	2015
Commissioner	: Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
Director		
President Director	: Drs.Abdi Khalik Ginting	Drs.Abdi Khalik Ginting
Director	: Mr. Dani Daksinaputra	Mr. Dani Daksinaputra

As of March 31, 2016 and 2015 the Company has a total of 12 and 16 employees (unaudited). The Subsidiary PT Lamindo Inter Multikon total employees as of March 31, 2016 and 2015 has a total 775 and 916 employees. The Subsidiary PT Mitra Niaga Mulia total employees as of March 31, 2016 and 2015 had total of 67 and 91 employees (unaudited).

**c. Company's composition and subsidiaries**

On September 28, 2015, based on Notarial Deed transfer of ownership of shares, the Company agreed transferred ownership of share in PT Mitra Niaga Mulia 656 shares (75%) to PT Lamindo Inter Multikon the transfer price of Rp656.000.000. On the transfer of ownership of shares, was notarized by Deed No. 10 dated September 28, 2015 which was notarized in Notarial Rohana Frieta, AH. This transaction effectively occurs at the closing date (ie March 31, 2016). The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0969207, dated October 2, 2015.

Based on Notarial Deed dated September 23, 2015, the Company took over 375 shares of PT Tambang Sejahtera Bersama (75%) of PT Sumber Dana Usaha with purchase price of Rp375.000.000. On the transfer of ownership of the number of shares, notarized in Deed No. 9 dated September 23, 2015 which was notarized in Notarial Rohana Frieta, AH. The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0968720, dated September 28, 2015.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**1. GENERAL (Continued)**

**c. Company's composition and subsidiaries (Continued)**

Based on Notarial Deed dated September 23, 2015, the Company took over 375 shares of PT Suar Harapan Bersama (75%) of PT Sumber Dana Usaha with purchase price of Rp412.500.000. On the transfer of ownership of the number of shares, notarized in Deed No. 8 dated September 23, 2015 which was notarized in Notarial Rohana Frieta, AH. The amendment was recorded by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.03-0968719, dated September 28, 2015.

As of March 31, 2016 and 2015, the composition of the Company and its subsidiaries (collectively referred to as the "Company") is as follows:

As of March 31, 2016				
Company Name	Domicile	Percentage ownership	Total Aset 2016	Total Aset 2015
<b>Subsidiaries with direct ownership</b>				
PT Lamindo Inter Multikon	Jakarta	75%	453,953,404,478	527,225,918,909
PT Mitra Niaga Mulia	Jakarta	75%	242,171,240,233	279,509,064,586
PT Hasta Mudra	Jakarta	75%	2,990,079,215	2,873,631,288
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,935,489,549	1,989,991,885
PT Tambang Sejahtera Bersama	Jakarta	75%	7,709,024,931	-
PT Suar Harapan Bangsa	Jakarta	75%	11,306,012,382	-
As of March 31, 2015				
Company Name	Domicile	Percentage ownership	Total Aset 2015	Total Aset 2014
<b>Subsidiaries with direct ownership</b>				
PT Lamindo Inter Multikon	Jakarta	75%	527,225,918,909	739,674,418,702
PT Mitra Niaga Mulia	Jakarta	75%	279,509,064,586	295,447,418,327
PT Hasta Mudra	Jakarta	75%	2,873,631,288	2,759,200,623
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,989,991,885	1,915,066,083

**d. Completion of the Company consolidated financial statements**

The Company's management is responsible for the preparation of the Consolidated financial statements of the Company which were completed and agreed to issue on April 21, 2016.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**a. Basis of presentation of consolidated financial statements**

The consolidated financial statements are prepared in accordance with the Indonesian Financial Accounting Standards. The consolidated financial statements have been prepared based on going concern assumption and the basis of historical costs, unless for some certain accounts are prepared on other measurements as mentioned by related accounts accounting policies. The consolidated financial statements are prepared under accrual concept, except for the consolidated statements of cash flows. The consolidated statements of cash flows have been prepared using the indirect method. For the purpose of the statements of cash flows, cash and cash equivalents include cash on hand, cash in banks and term deposits with a maturity period of three months or less and not pledged.

**b. Principles of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries (note 1c).

The proportionate share of the non controlling shareholders in the equity of the subsidiaries is reflected in "Non Controlling Interest" in the consolidated statement of financial position. Unless mentioned different in an agreement, the Company absorbs the excess of the non controlling interests on accumulated net losses of a subsidiary.

All significant inter-company statement of financial position and transactions have been eliminated to present the financial position and results of operations of the Company and Subsidiary as a single entity.

Excess between purchase price over underlying net book value of acquired Subsidiary is recorded as goodwill; except for excess resulting from restructuring transactions of entities under common control which is recorded as "Difference in value of restructuring transactions of entities under common control" under the equity section.

The equity transactions of the Subsidiary which affect the share of net assets of such Subsidiary are presented as "Non Controlling Interest" under the equity section.

**c. Foreign currency translation**

The Company maintains its accounting records in Indonesian Rupiah. Transactions denominated in foreign currencies are converted into Rupiah (IDR) at the fiscal exchange rates prevailing on a beginning week. On the statement of financial position, assets and liabilities in foreign currencies are translated into Rupiah at the exchange rate prevailing as of that date.

Exchange gains and losses arising from foreign currency transactions and on the translation of foreign currency monetary assets and liabilities are recognized in the current period's statement of income.

On report date, monetary assets and liabilities denominated in foreign currency were translated using the following rates:

	<u>2016</u>		<u>2015</u>	
US Dollar (USD) 1	Rp	13,276	Rp	13,084

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Sundry debtors**

Sundry debtors are included as loans and receivables' financial assets. Sundry debtors are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

**e. Deferred charges**

Expenses of cost that is expected to have period of benefit more than one year are record as deferred expenses and amortized according to the expected period of benefit using straight-line method.

**f. Fixed assets**

The cost of an item of fixed assets initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company has adopted PSAK 16 (Revised 2007) regarding "Fixed Assets" and has chosen to use the cost model for measuring its fixed assets. Under cost model, fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fixed assets are depreciated using the straight line method over their estimated useful lives, as follows:

	Years
Building and structures	20
Jetty	20
Light System	10
Site Equipment	10
Plant & machinery	10
Drilling machine	10
Vehicle	5
Computer	4
Office equipment furniture	4
Mining equipment	5
Road at site	4
Misc. site equipment	4

**g. Related party transactions**

The Company has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards (PSAK) No. 7, "Related Party Disclosures". There is no compensation paid to key person during 2015-2016.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**g. Related party transactions (Continued)**

The Subsidiary has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards (PSAK) No. 7, "Related Party Disclosures". Compensation to the key person during 2015 amounting to Rp 4.062,919,308.

All transactions with related parties are properly disclosed in the notes to the financial statements.

**h. Sundry creditors**

Sundry creditors are measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

**i. Financial assets and liabilities**

In accordance with Statement of Financial Accounting Standards ("SFAS") No.50 (Revised 2006) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2010, the accounting policy on financial assets and liabilities are as follows:

**1) Financial asset**

Financial assets are classified into the following categories (i) financial assets at fair value are recognized through the income statement, (ii) loans and receivables, (iii) financial assets held to maturity, and (iv) financial assets available for sale. The classification is dependent on the objective when the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

**(i) Financial assets at fair value are recognized through the income statement**

Financial assets at fair value are recognized in the consolidated profit or loss are financial assets classified as assets to be traded. A financial asset is classified as an asset to be traded if it is obtained primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

**(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or predetermined payment that is not affected by an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at cost which is amortized using the effective interest rate method.

**(iii) Financial assets held to maturity**

Financial assets held to maturity are non-derivative financial assets with payments and fixed maturity and has determined that the Company's management has the positive intent and ability to maturity, other than:

- a. The Company's financial assets are recognized at fair value through profit or loss;
- b. Company's financial assets available for sale; and
- c. Financial assets that meet the definition as loans and receivables.

These financial assets are initially recognized at fair value including transaction costs and subsequently remeasured at amortized cost by applying the effective interest rate method.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**i. Financial assets and liabilities (Continued)**

**1) Financial asset (Continued)**

**(iv) Financial assets available for sale**

Financial assets available for sale are financial assets that are held to an unlimited period of time, which can be sold to meet liquidity needs or changes in interest rates, exchange rates, or that are not classified as loans and receivables, financial assets held to maturity tempo or financial assets at fair value are recognized through the income statement.

Financial assets available for sale are initially recognized at fair value plus transaction costs and are subsequently remeasured at fair value gains and losses are recognized in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until such financial assets no longer recognized. If a financial asset available for sale is impaired, the cumulative gain or loss previously recognized in the statement of changes in equity, will be recognized in the income statement. However, interest calculated using the effective interest rate method, and gains or losses on foreign currency monetary assets which are classified as assets available for sale are recognized in the income statement for the year.

**2) Financial liabilities**

The company classifies its financial liabilities in categories (i) financial liabilities at fair value are recognized through the income statement and (ii) financial liabilities measured at amortized cost.

**(i) Financial liabilities are recognized at fair value through profit and loss**

Financial liabilities are recognized at fair value through profit or loss are financial liabilities classified as trading liabilities. A financial liability is classified as a trading liability if it acquired primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

Gains and losses arising from changes in fair value of derivatives that are managed in conjunction with the financial obligation is included in "gain / loss on foreign exchange".

**(ii) Financial liabilities measured at amortized cost**

Financial liabilities not classified as financial liabilities at fair value are recognized through profit and loss are measured at amortized cost. Financial liabilities measured at amortized cost are trade and other payables, accrued expenses, and loans.

The Company uses several assessment techniques that are used in general to determine the fair value of financial instruments. Inputs used in valuation techniques for financial instruments on the market data that can be observed.

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Company uses discounted cash flow method using assumptions based on market conditions at balance sheet date which are then used to determine the fair value of financial instruments.



**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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**j. Taxation**

The Company has adopted Statements of Financial Accounting Standards (PSAK) No. 46 with respect to "Accounting for Income Tax", for presenting the income tax expense and the income tax payable. Under this method, the tax effects of the temporary differences in the recognition of income and expenses between financial reporting and for tax purposes are recognized as deferred tax assets and/or liabilities. The currently enacted tax rates are used to determine the deferred taxes.

Deferred tax assets relating to the carry forward of unused tax losses, if any, are recognized to the extent, that future taxable profit would be available to compensate for the unused tax losses.

Amendments to the tax obligations are recorded when an assessment is received, or if appealed against, when the result of the appeal is determined.

**k. Revenue and expenses recognition**

Revenue is recognized when goods are delivered. Expenses are recognized as accruals.

**l. Use of estimates**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty in making estimates, actual results reported in the future periods may be based on amounts that differ from these estimates.

**m. Adoption of new accounting standards**

Effective since January 1, 2015, the Company adopted the following revised accounting standards, which are considered relevant to the statements but do not have significant impact:

- SFAS No. 1, (2013 Revision), Presentation of Financial Statements
- SFAS No. 4, (2013 Revision), Separate Financial Statements
- SFAS No. 15, (2013 Revision), Investments in Associates and Joint Ventures
- SFAS No. 24, (2013 Revision), Employee Benefits
- SFAS No. 46, (2013 Revision), Income Taxes
- SFAS No. 48, (2013 Revision), Impairment of Assets
- SFAS No. 50, (2013 Revision), Financial Instruments: Presentation
- SFAS No. 55, (2013 Revision), Financial Instruments: Recognition and Measurement
- SFAS No. 60, (2013 Revision), Financial Instruments: Disclosures
- SFAS No. 65, (2013 Revision), Consolidated financial statements
- SFAS No. 68, (2013 Revision), Fair Value Measurement

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**3. CASH AND CASH EQUIVALENTS**

	2016	2015
Cash on hand	37,172,800	78,504,000
Bank IDR		
- PT Bank Mandiri (Persero) Tbk	2,066,299,846	1,153,841,433
- BPD Kaltim	1,291,422,137	306,280,496
- PT Bank Negara Indonesia (Persero) Tbk	146,863,580	62,264,267
- PT Bank CIMB Niaga Tbk	30,531,019	44,351,912
- State Bank Of India	5,341,232	7,156,238
Subtotal	3,540,457,814	1,573,894,346
Bank USD		
- PT Bank Mandiri (Persero) Tbk (USD 144,226.35 in 2016 and USD 13,418.54 in 2015)	1,914,749,023	175,568,439
- DBS Bank (USD nil in 2016 and USD 663.54 in 2015)	-	8,681,774
- State Bank Of India (USD 2,220,922.59 in 2016 and USD 6,092.29 in 2015)	29,484,968,305	79,711,522
- Standard Chartered Bank (USD 59,355.43 in 2016 and USD 2,250,179.7 in 2015)	788,002,689	29,441,356,559
Subtotal	32,187,720,017	29,705,318,294
Total bank	35,728,177,831	31,279,212,641
<b>Total cash and cash equivalents</b>	<b>35,765,350,631</b>	<b>31,357,716,641</b>

**4. SUNDRY DEBTORS**

	2016	2015
Sundry debtors	459,880,507	-
<b>Total</b>	<b>459,880,507</b>	<b>-</b>
The aging analysis of sundry debtor is as follows :		
Due date :		
< 90 days	459,880,507	-
<b>Total</b>	<b>459,880,507</b>	<b>-</b>

Based on review of the status of the individual receivable accounts at the end of the period, the Company's management determined that all receivables are collectible. Accordingly, no allowance for doubtful accounts was provided.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**5. INVENTORY**

	2016	2015
Coal		
(in 2016, 606,918 MT and in 2015, 724,183)	78,827,445,434	147,102,800,685
Sparepart	19,633,788,845	21,330,597,051
Fuel	6,059,380,307	5,910,257,365
<b>Total</b>	<b>104,520,614,586</b>	<b>174,343,655,101</b>

As of March 31, 2016, inventory crushed coal is covered by insurance with a total sum insured amounting to USD 8,000,000. Based on Management's opinion, the insurance is adequate to cover possible losses.

As of March 31, 2016 and 2015, Inventory stock quantity as follows :

	Closing Stock Working	
	2016 (in MT)	2015 (in MT)
Opening stock	724,183	407,268
ROM production	5,009,127	4,921,064
Less : Coal sales	(5,126,392)	(4,604,148)
<b>Closing Stock (ROM + Crushed coal)</b>	<b>606,918</b>	<b>724,184</b>

**6. ADVANCES**

	2016	2015
Advances to supplier and service provider	25,165,520,870	13,149,842,925
Advance to staff	1,422,538,035	1,688,827,877
<b>Total</b>	<b>26,588,058,905</b>	<b>14,838,670,802</b>

**7. PREPAID EXPENSES**

	2016	2015
Prepaid expenses	4,272,709,693	4,884,750,807
<b>Total</b>	<b>4,272,709,693</b>	<b>4,884,750,807</b>

**8. CAPITAL ADVANCE**

	2016	2015
Capital advance	16,638,200,000	17,338,910,915
<b>Total</b>	<b>16,638,200,000</b>	<b>17,338,910,915</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**9. FIXED ASSETS**

Balance and movement of fixed assets for the year ended March 31, 2016:

	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
<b>Acquisition cost:</b>					
Land	822,620,632	631,706,122	-	-	1,454,326,754
Building and structures	59,187,040,972	1,692,210,900	-	-	60,879,251,872
Jetty	43,893,467,898	-	-	-	43,893,467,898
Plant & machinery	263,806,353,802	1,823,639,955	-	(1,570,251,497)	264,059,742,260
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	10,428,063,594	-	-	-	10,428,063,594
Computer	9,088,445,943	58,412,000	-	(6,696,202,113)	2,450,655,830
Office equipment - furniture	5,564,927,803	208,320,000	3,000,000	6,696,202,113	12,466,449,916
Mining equipment	261,782,966,108	-	6,351,100,113	1,570,251,497	257,002,117,492
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
<b>Total acquisition cost</b>	<b>664,220,275,040</b>	<b>4,414,288,977</b>	<b>6,354,100,113</b>	<b>-</b>	<b>662,280,463,904</b>
<b>Accumulated depreciation:</b>					
Building and structures	28,168,154,627	2,643,396,104	-	-	30,811,550,731
Jetty	13,635,308,169	2,194,673,791	-	-	15,829,981,960
Plant & machinery	101,631,323,157	27,673,115,432	-	942,149,752	130,246,588,341
Drilling machine	418,000,000	83,600,000	-	-	501,600,000
Vehicle	8,132,095,506	1,392,832,109	-	-	9,524,927,615
Computer	1,953,039,825	273,317,960	-	-	2,226,357,785
Office equipment furniture	4,465,862,315	2,771,088,527	-	-	7,236,950,842
Mining equipment	219,262,940,478	28,459,170,490	5,663,020,050	(942,149,752)	241,116,941,166
Misc. site equipment	998,496,062	-	-	-	998,496,062
<b>Total accumulated depreciation</b>	<b>378,665,220,139</b>	<b>65,491,194,413</b>	<b>5,663,020,050</b>	<b>-</b>	<b>438,493,394,502</b>
<b>Net book value</b>	<b>285,555,054,901</b>				<b>223,787,069,402</b>
<b>Works in progress</b>					
Work in progress	6,957,253,049	7,652,936,731	293,268,068	-	14,316,921,712
<b>Total works in progress</b>	<b>6,957,253,049</b>	<b>7,652,936,731</b>	<b>293,268,068</b>	<b>-</b>	<b>14,316,921,712</b>
<b>Carrying value of fixed assets</b>	<b>292,512,307,950</b>				<b>238,103,991,114</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**9. FIXED ASSETS - (Continued)**

As of March 31, 2016, all fixed assets are covered by insurance from PT Fairfax Insurance Indonesia and PT Asuransi Astra with a total sum insured amounting to USD 40.002.500 and Rp 18.000.000. Based on Management's opinion, the insurance is adequate to cover possible losses.

Balance and movement of fixed assets for the year ended March 31, 2015:

	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
<b>Acquisition cost:</b>					
Land	822,620,632	-	-	-	822,620,632
Building and structures	59,187,040,972	-	-	-	59,187,040,972
Jetty	43,893,467,898	-	-	-	43,893,467,898
plant & machinery	266,201,042,195	360,395,255	-	(2,755,083,648)	263,806,353,802
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	11,084,506,927	-	656,443,333	-	10,428,063,594
Computer	2,268,017,570	1,150,501,590	-	5,669,926,783	9,088,445,943
Office equipment - furniture	5,564,927,803	-	-	-	5,564,927,803
Mining equipment	275,142,595,501	660,000,000	12,449,379,394	(1,570,249,999)	261,782,966,108
Misc. site equipment	4,485,054,144	-	-	4,325,334,144	8,810,388,288
<b>Total acquisition cost</b>	<b>669,485,273,642</b>	<b>2,170,896,845</b>	<b>13,105,822,727</b>	<b>5,669,927,280</b>	<b>664,220,275,040</b>
<b>Accumulated depreciation:</b>					
Building and structures	22,342,787,453	5,825,367,174	-	-	28,168,154,627
Jetty	11,440,634,774	2,194,673,395	-	-	13,635,308,169
Plant & machinery	73,265,327,899	28,326,065,258	-	39,930,000	101,631,323,157
Drilling machine	334,400,000	83,600,000	-	-	418,000,000
Vehicle	6,500,499,231	2,107,554,113	475,957,838	-	8,132,095,506
Computer	1,489,107,947	463,931,878	-	-	1,953,039,825
Office equipment furniture	2,189,185,654	2,276,676,661	-	-	4,465,862,315
Mining equipment	175,375,939,166	53,259,492,187	9,372,490,875	-	219,262,940,478
Misc. site equipment	1,018,461,062	19,965,000	-	(39,930,000)	998,496,062
<b>Total accumulated depreciation</b>	<b>293,956,343,186</b>	<b>94,557,325,666</b>	<b>9,848,448,713</b>	<b>-</b>	<b>378,665,220,139</b>
<b>Net book value</b>	<b>375,528,930,456</b>				<b>285,555,054,901</b>
Works in progress					
Work in progress	14,200,538,171	10,206,661	1,583,565,000	(5,669,926,783)	6,957,253,049
<b>Total works in progress</b>	<b>14,200,538,171</b>	<b>10,206,661</b>	<b>1,583,565,000</b>	<b>(5,669,926,783)</b>	<b>6,957,253,049</b>
<b>Carrying value of fixed assets</b>	<b>389,729,468,627</b>				<b>292,512,307,950</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

(Expressed in Rupiah, unless otherwise stated)

**9. FIXED ASSETS - (Continued)**

As of March 31, 2015, all fixed assets are covered by insurance with a total sum insured amounting to USD 40.002.500 and Rp 18.000.000. Based on Management's opinion, the insurance is adequate to cover possible losses.

**10. DEFERRED CHARGES**

Balance and movement of deferred charges for the year ended March 31, 2016:

	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	80,125,353,248	1,336,000,000	-	81,461,353,248
Miscellaneous expense	114,386,997,626	17,767,270,549	-	132,154,268,175
Pre-operative expense	3,464,002,337	-	-	3,464,002,337
Total acquisition cost	197,976,353,210	19,103,270,549	-	217,079,623,759
<u>Accumulated amortization:</u>				
Land compensation	7,752,192,224	3,744,483,522	-	11,496,675,746
Miscellaneous expense	15,484,582,421	10,912,164,982	-	26,396,747,403
Total accumulated amortization	23,236,774,645	14,656,648,504	-	37,893,423,149
<b>Net book value</b>	<b>174,739,578,565</b>			<b>179,186,200,610</b>

Balance and movement of deferred charges for the year ended March 31, 2015:

	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	77,003,392,248	3,121,961,000	-	80,125,353,248
Miscellaneous expense	114,386,997,626	-	-	114,386,997,626
Pre-operative expense	3,464,002,337	-	-	3,464,002,337
Total acquisition cost	194,854,392,210	3,121,961,000	-	197,976,353,210
<u>Accumulated amortization:</u>				
Land compensation	5,027,417,416	2,724,774,808	-	7,752,192,224
Miscellaneous expense	4,572,418,696	10,912,163,725	-	15,484,582,421
Total accumulated amortization	9,599,836,112	13,636,938,533	-	23,236,774,645
<b>Net book value</b>	<b>185,254,556,098</b>			<b>174,739,578,565</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**11. DEPOSITS**

	2016	2015
Deposit with Government	27,612,759,154	25,911,979,169
<b>Total</b>	<b>27,612,759,154</b>	<b>25,911,979,169</b>

**12. OTHER ASSETS**

	2016	2015
Others assets	8,045,680,857	3,599,662,397
<b>Total</b>	<b>8,045,680,857</b>	<b>3,599,662,397</b>

Others assets represent income tax - article 28a.

**13. SUNDRY CREDITORS**

	2016	2015
Related parties		
- Sundry creditors - group company	5,013,050,200	2,671,541,600
Third parties		
- Sundry creditors for expenses	67,977,408,854	56,705,230,178
- Sundry creditors for goods/spares	37,204,309,916	35,215,254,448
- Sundry creditors for capital goods	1,382,882,873	28,688,615,118
<b>Total</b>	<b>111,577,651,843</b>	<b>123,280,641,344</b>

**14. PROVISIONS**

	2016	2015
Provision for expenses payable	28,369,675,521	12,149,186,925
Provision for bonus payable	-	3,657,352,681
<b>Total</b>	<b>28,369,675,521</b>	<b>15,806,539,606</b>

Provision for expenses payables is expenses for the solar and consultant.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**15. TAXATION**

	2016	2015
<b>a. Prepaid taxes</b>		
Company		
VAT-in	84,885,750	84,885,750
Subtotal	<u>84,885,750</u>	<u>84,885,750</u>
<b>b. Taxes payable</b>		
Company		
VAT-out	449,290,750	224,497,750
Income tax - article 23	36,440,500	-
Income tax - article 21	6,977,206	5,912,654
Subtotal	<u>492,708,456</u>	<u>230,410,404</u>
Subsidiaries		
Income tax - article 21	869,350,316	1,169,804,110
Income tax - article 23	697,783,788	1,198,407,705
Income tax - article 26	397,163,267	4,139,063,623
Income tax - article 15	54,524,078	617,778
VAT-out	7,564,980	-
Income tax - article 4 (2)	-	168,235,392
Subtotal	<u>2,026,386,429</u>	<u>6,676,128,608</u>
<b>Total</b>	<u>2,519,094,885</u>	<u>6,906,539,012</u>
<b>c. Expense corporate income tax</b>	2016	2015
Company		
Current tax expenses	-	(14,111,200)
Deferred tax income/(expenses)	7,500,254	(133,823,785)
Subtotal	<u>7,500,254</u>	<u>(147,934,985)</u>
Subsidiaries		
Current tax expenses	-	(1,126,932,250)
Deferred tax income/(expenses)	8,343,896,168	24,008,091,426
Subtotal	<u>8,343,896,168</u>	<u>22,881,159,176</u>
<b>Total</b>	<u>8,351,396,422</u>	<u>22,733,224,191</u>

The reconciliation between income before tax as shown in the statements of income and the estimated taxable income are as follows:



**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**15. TAXATION (Continued)**

**c. Expense corporate income tax (Continued)**

	2016	2015
<b>Consolidated income before income tax</b>	<b>(54,611,486,845)</b>	<b>(114,976,101,004)</b>
Less: Income (loss) before taxes subsidiary and elimination	54,994,803,979	112,551,256,402
Income before income tax - Company	<b>383,317,134</b>	<b>(2,424,844,602)</b>
<i>Temporary differences:</i>		
Depreciation of fixed assets	30,001,016	22,344,019
<i>Permanent differences:</i>		
Telephone expenses	87,639,250	87,639,250
Income subject to final income tax	(165,999)	(1,184,075)
Taxable income before tax loss carry forward	<b>500,791,401</b>	<b>(2,316,045,408)</b>
Adjustment	-	<b>52,341,951,488</b>
Addition: Tax loss carry forward	(9,045,669,117)	(59,071,575,197)
<b>Estimated taxable loss</b>	<b>(8,544,877,716)</b>	<b>(9,045,669,117)</b>
<b>Income tax article 29 - Company</b>	-	-
Add: Corporate income tax - subsidiaries	-	1,126,932,250
<b>Corporate income tax - consolidated</b>	-	<b>1,126,932,250</b>

**d. Deferred tax**

	2016	2015
<b>Company</b>		
Deferred tax assets		
Tax loss	1,478,084,326	1,672,681,185
Pension retirement benefit	10,198,222	2,697,968
Deferred tax liabilities		
Depreciation of fixed assets	-	-
Pre-operative expenses	(1,121,740,362)	(1,316,337,221)
Sub total	<b>366,542,186</b>	<b>359,041,932</b>
<b>Subsidiaries</b>		
Deferred tax assets		
Tax loss	88,746,006,022	82,692,337,438
Depreciation of fixed assets	13,674,237,132	18,867,424,266
Pension retirement benefit	4,611,074,752	5,520,981,173
Deferred tax liabilities		
Pre-operative expenses	(7,429,994,216)	(17,147,665,227)
Sub total	<b>99,601,323,689</b>	<b>89,933,077,649</b>
<b>Total</b>	<b>99,967,865,875</b>	<b>90,292,119,582</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

(Expressed in Rupiah, unless otherwise stated)

**15. TAXATION (Continued)**

**f. Administration**

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The tax authorities can assess or amend the taxes within a period of five (5) years from the date the taxes became due.

**16. OTHER PAYABLES**

	2016	2015
Interest payable	89,540,901,822	87,610,432,057
Salaries payable	1,114,519,242	330,081,358
Wages payable	438,510	8,173,710
Others	784,702,697,532	319,640,648,990
<b>Total</b>	<b>875,358,557,106</b>	<b>407,589,336,115</b>

**17. PROVISION FOR RETIREMENT BENEFIT**

The Company provides provision for employee benefits based on Law of Manpower No. 13 of 2003. The estimated liability for employee benefits as of March 31, 2016 and 2015 amounted to Rp18,649,691,552, and Rp22,289,317,232, respectively. As of March 31, 2016, the estimated of employee benefits was determined by the independent actuarial calculation of PT Sigma Prima Solusindo, Independent actuarial used the "Projected Unit Credit" method with the following assumptions as following:

	2016	2015
Salary increase rate	7%	9%
Discount rate	8,18%	7,68%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (liabilities) / assets in balance sheet		
	2016	2015
<b>Subsidiaries</b>		
Assets and liabilities	-	-
Present value of defined benefit obligation	18,649,691,552	22,289,317,232
Fair value of plan assets	-	-
Funding status	18,649,691,552	22,289,317,232
<b>Recognition of (liabilities) / assets in balance sheet</b>	<b>18,649,691,552</b>	<b>22,289,317,232</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**17 PROVISION FOR RETIREMENT BENEFIT (Continued)**

	2016	2015
<b>Subsidiaries</b>		
(Liabilities)/assets at beginning period	22,289,317,303	14,505,648,384
(Expenses)/revenue	4,062,919,308	5,802,857,537
Other comprehensive income / (expenses)	4,933,822,613	9,897,064,090
Realization of benefits payment	(12,636,367,601)	(7,916,252,779)
<b>(Liabilities)/assets at ending period</b>	<b>18,649,691,623</b>	<b>22,289,317,232</b>
<b>Expenses</b>		
Current services cost	3,507,447,316	4,689,575,518
Interest cost	1,822,067,380	1,113,282,019
Increase/ (decrease) in liabilities transition	(1,266,595,388)	-
<b>Expenses / (revenue) in income statement</b>	<b>4,062,919,308</b>	<b>5,802,857,537</b>

**18 LOANS**

The Company received loans from PT Adani Global and PT Standard Chartered Bank (SCB), to support construction of fixed assets and working capital.

As of March 31, 2016 and 2015 the balance of this account is follows:

<b>a. Secured loan</b>	2016	2015
PT Standard Chartered Bank (SCB)	-	361,250,876,192
	-	<b>361,250,876,192</b>

**PT Standard Chartered Bank (SCB)**

In the month of July 2012, PT. Lamindo Inter Multikon executed into capped pre-paid swap structured transaction with SCB. Under the structure of transaction, SCB paid up front amount of USD 80,000,000 & PT. Lamindo Inter Multikon has to make monthly floating amount linked to API4 coal price (subject to capped price of \$ 50) of specified notional coal quantity for 49 months.

The facility & amount of PT SCB Bank as follows :

Facility A	:	SCB will pay to counterparty a fixed amount I equal to: USD 80,000,000
Facility B	:	Counterparty will pay to SCB a fixed amount II equal to: USD 1,000,000.

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**18 LOANS**

**a. Secured loan (Continued)**

**PT Standard Chartered Bank (SCB) (Continued)**

Transaction details:

Party A	:	Standard Chartered Bank Singapore
Party B	:	PT Lamindo Inter Multikon
Trade date	:	July 9, 2012
Effective date	:	July 9, 2012
Termination date	:	July 31, 2016
Commodity	:	API4 Coal
Total national quantity	:	1,809,800 Metric Tonnes
Calculation period	:	49 monthly calculation periods, starting from and including the effective date.

**Fixed amount I:**

Initial payment date	:	One (1) business days following the trade date
Fixed amount I	:	On the initial payment date, Party A shall pay Party B an amount equal to: USD 80,000,000

**Floating Amount**

Cap price	:	50 USD/MT
Floating price payer	:	Party B
Initial payment date	:	With respect to each calculation period, Party B pays Party A, on the relevant settlement date, an amount in USD as determined by the calculation agent equal to:

Floating Price X National quantity per Calculation Period

Floating price	:	With respect to a calculation period, the relevant unweighted average price, subject to a maximum of the cap price.
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Where, "Unweighted Average Price" means, with respect to a calculation period, the unweighted arithmetic mean of the commodity reference price on each pricing date during such calculation period.

Commodity reference price	:	"COAL - API 4-ARGUS/MCCLOSKEY'S" means that the price for a pricing date will be that day's specified price per tonne of steam coal 6,000 kcal/kg, up to 1% sulphur nar basis, fob Richards Bay, stated in U.S. Dollars, published under the heading "International Coal Indexes incorporating the APITM Indices: Monthly Coal Price Indexes: API 4 (fob Richards Bay)" in the issue of Argus/McCloskey's Coal Price Index Report that report that reports prices effective on that pricing date.
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**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**18 LOANS**

**a. Secured loan (Continued)**

**PT Standard Chartered Bank (SCB) (Continued)**

Specified price : The official price as published monthly of API 4 steam coal stated in U.S Dollars published under the heading "International Coal Indices: Monthly Coal Price Indices: API 4 (fob Richards Bay)(formerly known as TFS API 4)" in the issue of Argus/McCloskey's Coal Price Index Report that reports such monthly average price on the last Friday of any calendar month.

Pricing date : Each commodity business day during the relevant calculation period.

Settlement date(s) : Five (5) business days following the period end date in respect of each calculation period.

Business days  
(for settlement purposes) : New York, London, Singapore and Jakarta.

**b. Unsecured loan**

As of March 31, 2016 and 2015 the balance of this account is follows:

	2016	2015
PT Adani Global	38,431,115,222	177,466,365,727
PT Mundra Coal	1,300,000,000	-
PT Sumber Bara	240,000,000	250,000,000
	<b>39,971,115,222</b>	<b>177,716,365,727</b>

**PT Adani Global**

The Company received unsecured loan from related party, PT Adani Global to procure heavy equipment, pay land compensation and for working capital. Interest rate for loan is at 10% per annum for IDR and 6,5% per annum for USD.

**19. NON CONTROLLING INTEREST**

**a. The balance of non controlling in net loss of subsidiaries on March 31, 2016 and 2015 are as follows:**

	2016	2015
PT Niaga Lintas Samudra	(12,587,818,693)	(24,298,555,974)
<b>Total</b>	<b>(12,587,818,693)</b>	<b>(24,298,555,974)</b>

**b. The balance of non controlling in subsidiaries' net assets at March 31, 2016 and 2015 are as follows:**

	2016	2015
PT Niaga Lintas Samudra	(80,356,868,636)	(67,889,986,564)
<b>Total</b>	<b>(80,356,868,636)</b>	<b>(67,889,986,564)</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**20. SHARE CAPITAL**

The Company's authorized capital consist of 4,000 shares with par value per share of Rp 500,000, 1,020 shares issued and paid up capital as of March 31, 2016 and 2015.

The composition of issued and paid-up shares as of March 31, 2016 and 2014 were as follows:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Sumber Bara	765	75%	382,500,000
PT Energy Resource	255	25%	127,500,000
<b>Total</b>	<b>1020</b>	<b>100%</b>	<b>510,000,000</b>

**21. SALES**

This account represents sales of coal for the period ended March 31, 2016 and 2015 amounting to Rp 1,029,103,491,124 and Rp 983,245,779,034 respectively.

**22. COST OF SALES**

	2016	2015
Opening stocks	147,102,800,685	88,384,550,019
Direct cost		
OB removal service	251,010,877,844	90,094,850,096
Solar & FOG expenses	151,833,109,200	205,760,715,267
Salaries	119,633,998,553	138,484,395,596
Crane hiring rent	65,520,203,210	100,994,810,156
Depreciation	65,491,194,413	94,557,325,453
Barges rent	59,975,740,972	46,845,995,534
Dump truck expenses	47,610,158,935	56,084,562,766
Rental equipment charges	27,708,771,931	67,355,211,481
Excavator expenses	21,438,882,944	25,200,463,368
Coal handling plant	16,235,717,488	-
Stevedoring expenses	14,826,599,097	18,699,331,499
Demurage expenses	12,565,376,607	-
Dozer expenses	6,880,874,034	12,997,689,759
Generator expenses	6,348,289,199	-
Freight others	4,775,775,769	5,488,566,671
Testing & analysis expenses	3,666,315,506	3,782,151,139
	<b>875,521,885,702</b>	<b>866,346,068,785</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**22. COST OF SALES (Continued)**

	2016	2015
Balance carry forward	875,521,885,702	866,346,068,785
General spares expenses	2,938,019,262	9,090,854,080
Pickup expenses	1,705,449,966	2,918,459,767
Loading & unloading	1,003,360,379	942,780,950
Drilling and exploration expenses	871,070,500	5,280,305,425
Agency fees for barges	768,668,940	654,531,060
Marine insurance	531,550,458	728,139,237
Wages (site)	482,188,922	673,100,257
Solar (diesel for barges)	-	2,262,230,150
Draught survey	-	165,750,000
Others	435,514,854	2,055,457,770
Subtotal direct cost	884,257,708,983	891,117,677,481
Closing stocks	(78,827,445,434)	(147,102,800,685)
<b>Total</b>	<b>952,533,064,234</b>	<b>832,399,426,815</b>

**23. GENERAL AND ADMINISTRATIVE EXPENSES**

	2016	2015
Royalty	26,077,697,449	23,461,498,627
Amortization of deferred expenses	14,656,978,860	13,636,938,533
Traveling expenses	12,393,616,688	12,800,967,789
Repair and maintenance	10,454,324,026	8,715,322,603
Fooding expenses	9,497,984,214	11,707,514,567
Misscelenous	8,697,355,393	14,025,000
Medical	4,931,408,913	82,210,790
Tax expenses	4,081,944,042	181,034,310
Employee benefit	4,062,919,308	5,802,857,537
Office expenses	3,690,503,421	5,674,943,034
Legal & professional fees	3,415,516,359	3,114,637,192
CSR expenses	2,974,423,410	1,860,411,499
Insurance expenses	2,769,190,263	10,606,690,238
Honorarium	2,592,569,167	2,060,682,907
Miscellaneous shipping	1,339,765,800	-
Fresh water charges	922,714,132	-
KP expense	756,666,823	-
Heavy earth moving vehicle taxes	583,941,300	-
	113,899,519,568	99,719,734,626

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**23. GENERAL AND ADMINISTRATIVE EXPENSES (Continued)**

	2016	2015
Balance carry forward	113,899,519,568	99,719,734,626
Speed boat charges	538,300,000	842,050,000
Reclamation expenses	506,183,972	393,939,944
Rent	480,614,764	-
Conveyance expense	-	285,633,357
Others	2,218,067,987	8,114,515,631
<b>Total</b>	<b>117,642,686,291</b>	<b>109,355,873,558</b>

**24. OTHERS INCOME (EXPENSES)**

	2016	2015
<b>OTHERS INCOME</b>		
Interest from bank	1,165,128,570	1,238,588,669
Sale of scrap	-	85,734,738
Dividend income	32,002,500	37,017,500
Others	100,312,748,186	39,764,434,901
	<b>101,509,879,256</b>	<b>41,125,775,808</b>
<b>OTHER (EXPENSES)</b>		
Foreign exchange gain/loss	(112,441,106,427)	(84,502,809,491)
Bank charges	(1,176,090,905)	(494,442,891)
Interest expenses	-	(5,090,178,151)
Loss of assets	-	(1,638,565,888)
Others	(1,431,909,368)	(105,866,359,053)
	<b>(115,049,106,700)</b>	<b>(197,592,355,474)</b>
<b>Total</b>	<b>(13,539,227,444)</b>	<b>(156,466,579,666)</b>



**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the years ended March 31, 2016

( Expressed in Rupiah, unless otherwise stated)

**25. FINANCIAL ASSET AND FINANCIAL LIABILITIES**

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2016:

	<b>Total</b>	<b>Loan and receivables</b>	<b>FVTPL</b>	<b>Other financial liabilities</b>
<b>Financial assets :</b>				
Cash and cash equivalents	35,765,350,631	35,765,350,631	-	-
Sundry debtors	-	-	-	-
Advance	26,588,058,905	26,588,058,905	-	-
Investments	200,000,000	-	200,000,000	-
<b>Total financial assets</b>	<b>62,553,409,536</b>	<b>62,353,409,536</b>	<b>200,000,000</b>	<b>-</b>
<b>Financial liabilities :</b>				
Sundry creditors	111,577,651,843	111,577,651,843	-	-
Others payable	875,358,557,106	875,358,557,106	-	-
Loans	39,971,115,222	39,971,115,222	-	-
<b>Total financial liabilities</b>	<b>1,026,907,324,171</b>	<b>1,026,907,324,171</b>	<b>-</b>	<b>-</b>

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2015:

	<b>Total</b>	<b>Loan and receivables</b>	<b>FVTPL</b>	<b>Other financial liabilities</b>
<b>Financial assets :</b>				
Cash and cash equivalents	31,357,716,641	31,357,716,641	-	-
Sundry debtors	-	-	-	-
Advance	14,838,670,802	14,838,670,802	-	-
Investments	200,000,000	-	200,000,000	-
<b>Total financial assets</b>	<b>46,396,387,443</b>	<b>46,196,387,443</b>	<b>200,000,000</b>	<b>-</b>
<b>Financial liabilities :</b>				
Sundry creditors	123,280,641,344	123,280,641,344	-	-
Others payable	413,604,212,220	413,604,212,220	-	-
Loans	538,967,241,919	538,967,241,919	-	-
<b>Total financial liabilities</b>	<b>1,075,852,095,483</b>	<b>1,075,852,095,483</b>	<b>-</b>	<b>-</b>

**PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended March 31, 2016

*( Expressed in Rupiah, unless otherwise stated)*

**26. GOING CONCERN**

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Company management to evaluate the entity's ability to continue as a going concern and require disclosures when either financial statements are prepared on a going concern basis or there is substantial doubt about the entity's ability to continue as a going concern. The Company management confirm that :

1. It has no intention to cease the operation of the Company within the next year or within foreseeable future. No Liquidation within the next 12 months.
2. It will continue to provide financial and / or other support as necessary for the Company to enable it to continue its operation and to meet its obligations when they are due.
3. In the case of financial difficulties the company's shareholders will support.

The financial statements have been prepared on basis of the Company continuing as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

**27. SUPPLEMENTARY INFORMATION**

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The supplementary information on pages 29 to 39 represents financial information of PT Niaga Antar Bangsa (parent company only) as at and for the years ended March 31, 2016 and 2015, which presents the Company's investment in subsidiaries under the cost method, as opposed to the consolidation method and investments in associates and jointly controlled entities under the cost method, as opposed to equity method.

**28. ACCOUNT RECLASSIFICATION**

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Account depreciation in general and administrative expenses in the year 2015 was reclassified to cost of sales, to adjust with the presentation of financial statement in year 2016.

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF FINANCIAL POSITION  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

	Notes	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	i	83,838,161	33,732,731
Sundry debtors	ii	2,508,513,205	1,524,009,600
Advances	iii	3,000,000	4,500,000
Prepaid Tax	iv	209,786,870	195,675,670
<b>Total Current Assets</b>		<b>2,805,138,236</b>	<b>1,757,918,001</b>
<b>Non Current Assets</b>			
Capital advance	v	16,647,544,000	16,599,800,000
Fixed assets - net	vi	334,400,000	418,000,000
Long-term investments	vii	9,795,000,000	9,663,500,000
Deferred charges	viii	5,265,348,882	5,265,348,882
Deferred tax assets	xi.c	366,542,186	359,041,932
<b>Total Non Current Assets</b>		<b>32,408,835,068</b>	<b>32,305,690,814</b>
<b>TOTAL ASSETS</b>		<b>35,213,973,304</b>	<b>34,063,608,815</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Sundry creditors	ix	881,823,946	5,106,445,205
Provisions	x	41,560,609	16,500,000
Taxes payables	xi.a	492,708,456	230,410,404
Other payables	xii	11,530,622,797	9,229,713,098
<b>Total Current Liabilities</b>		<b>12,946,715,808</b>	<b>14,583,068,707</b>
<b>Non Current Liabilities</b>			
Unsecured loans	xiii	25,488,700,000	23,092,800,000
<b>Total Non Current Liabilities</b>		<b>25,488,700,000</b>	<b>23,092,800,000</b>
<b>TOTAL LIABILITIES</b>		<b>38,435,415,808</b>	<b>37,675,868,707</b>
<b>EQUITY</b>			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1,020 shares subscribed and fully paid up	xiv	510,000,000	510,000,000
Accumulated profit (loss)		(3,731,442,504)	(4,122,259,892)
<b>TOTAL EQUITY</b>		<b>(3,221,442,504)</b>	<b>(3,612,259,892)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>35,213,973,304</b>	<b>34,063,608,815</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

	Notes	2016	2015
SALES	xv	3,644,050,000	1,411,120,000
COST OF SALES	xvi	(1,702,843,359)	(1,855,233,270)
GROSS PROFIT/(LOSS)		1,941,206,641	(444,113,270)
GENERAL AND ADMINISTRATIVE EXPENSE	xvii	(63,281,421)	(89,116,250)
OPERATING LOSS		1,877,925,220	(533,229,520)
OTHER INCOME (EXPENSE)	xviii		
Other income		38,565,999	337,184,075
Other expenses		(1,496,733,585)	(2,228,799,157)
OTHER INCOME (EXPENSE)		(1,458,167,586)	(1,891,615,082)
PROFIT BEFORE INCOME TAX		419,757,634	(2,424,844,602)
TAX INCOME (EXPENSES)			
Current tax	xi.b	(36,440,500)	(14,111,200)
Deferred Tax		7,500,254	(133,823,785)
		(28,940,246)	(147,934,985)
NET PROFIT/(LOSS) FOR THE YEAR		390,817,388	(2,572,779,587)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		390,817,388	(2,572,779,587)

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

	Notes	Share capital	Accumulated profit	Total
Balance as of April 1, 2014	xiv	510,000,000	(1,549,480,305)	(1,039,480,305)
Comprehensive income (loss) for the year		-	(2,572,779,587)	(2,572,779,587)
Balance as of March 31, 2015		510,000,000	(4,122,259,892)	(3,612,259,892)
Comprehensive income (loss) for the year		-	390,817,388	390,817,388
Balance as of March 31, 2016		510,000,000	(3,731,442,504)	(3,221,442,504)

**Supplementary Information**  
**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**STATEMENTS OF CASH FLOW**  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

	2016	2015
<b>Cash flows from operating activities</b>		
<b>Profit/(loss) before income tax</b>	<b>419,757,634</b>	<b>(2,424,844,602)</b>
<i>Add items not affecting operating cash flows</i>		
Depreciation	83,600,000	83,600,000
Unrealized forex (gain)/loss	(36,440,500)	336,000,000
<b>Operating cash flows before changes in working capital</b>	<b>466,917,134</b>	<b>(2,005,244,602)</b>
<b>Changes in working capital</b>		
Other payables	2,300,909,699	8,864,267,567
Taxes payables	262,298,052	(193,087,123)
Provision	25,060,609	(2,902,503)
Advances	1,500,000	12,920,000
Sundry creditors	(4,224,621,259)	3,953,561,205
Sundry debtors	(984,503,605)	4,055,522,195
Prepaid tax	(14,111,200)	(47,837,440)
Net changes in working capital	(2,633,467,704)	16,642,443,901
<b>Net cash flows provided from (used in) operating activities</b>	<b>(2,166,550,570)</b>	<b>14,637,199,299</b>
<b>Cash flows from investing activities</b>		
Capital advance	(47,744,000)	(336,000,000)
Investments	(131,500,000)	-
<b>Net cash flows used in investing activities</b>	<b>(179,244,000)</b>	<b>(336,000,000)</b>
<b>Cash flows from financing activities</b>		
Unsecured loans	2,395,900,000	(14,420,758,947)
<b>Net cash flows provided from financing activities</b>	<b>2,395,900,000</b>	<b>(14,420,758,947)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>50,105,430</b>	<b>(119,559,648)</b>
Cash and cash equivalents at the beginning of the year	33,732,731	153,292,379
<b>Cash and cash equivalents at the end of the year</b>	<b>83,838,161</b>	<b>33,732,731</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

**i. CASH AND CASH EQUIVALENTS**

	2016	2015
Bank Accounts:		
Bank Mandiri IDR Jakarta	83,838,161	33,732,731
	<u>83,838,161</u>	<u>33,732,731</u>

**ii. SUNDRY DEBTORS**

	2016	2015
<b>Related Party</b>		
PT Lamindo Inter Multikon	2,508,513,205	1,524,009,600
	<u>2,508,513,205</u>	<u>1,524,009,600</u>
The aging analysis of sundry debtor is as follows :		
Current	2,508,513,205	1,524,009,600
Total	<u>2,508,513,205</u>	<u>1,524,009,600</u>

Based on review of the status of the individual receivable accounts at the end of the period, the Company's management determined that all receivables are collectible. Accordingly, no allowance for doubtful accounts was provided.

**iii. ADVANCES**

	2016	2015
Advance staff	3,000,000	4,500,000
	<u>3,000,000</u>	<u>4,500,000</u>

**iv. PREPAID TAXES**

	2016	2015
Prepaid taxes	209,786,870	195,675,670
	<u>209,786,870</u>	<u>195,675,670</u>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

v. CAPITAL ADVANCE

	2016	2015
Capital advance	16,647,544,000	16,599,800,000
	<u>16,647,544,000</u>	<u>16,599,800,000</u>

vi. FIXED ASSETS

March 31, 2016				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Acquisition cost:</b>				
Drilling machine	836,000,000	-	-	836,000,000
	<u>836,000,000</u>	<u>-</u>	<u>-</u>	<u>836,000,000</u>
<b>Accumulated depreciation:</b>				
Drilling machine	418,000,000	83,600,000	-	501,600,000
	<u>418,000,000</u>	<u>83,600,000</u>	<u>-</u>	<u>501,600,000</u>
<b>Net book value</b>	<u><b>418,000,000</b></u>			<u><b>334,400,000</b></u>
March 31, 2015				
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Acquisition cost:</b>				
Drilling machine	836,000,000	-	-	836,000,000
	<u>836,000,000</u>	<u>-</u>	<u>-</u>	<u>836,000,000</u>
<b>Accumulated depreciation:</b>				
Drilling machine	334,400,000	83,600,000	-	418,000,000
	<u>334,400,000</u>	<u>83,600,000</u>	<u>-</u>	<u>418,000,000</u>
<b>Net book value</b>	<u><b>501,600,000</b></u>			<u><b>418,000,000</b></u>



**Supplementary Information**  
**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

**vii. LONG-TERM INVESTMENTS**

Investee	Domicile	Percentage ownership	2016	2015
<u>Subsidiaries:</u>				
PT Lamindo Inter Multikon	Jakarta	75%	7,875,000,000	7,875,000,000
PT Hasta Mudra	Jakarta	75%	750,000,000	750,000,000
PT Suar Harapan Bangsa	Jakarta	75%	412,500,000	-
PT Gemilang Putra Pertiwi	Jakarta	75%	382,500,000	382,500,000
PT Tambang Sejahtera Bersama	Jakarta	75%	375,000,000	-
PT Mitra Niaga Mulia	Jakarta	75%	-	656,000,000
			<b>9,795,000,000</b>	<b>9,663,500,000</b>

On September 28, 2015, based on Notarial Deed transfer of ownership of shares, the Company agreed transferred ownership of share in PT Mitra Niaga Mulia 656 shares (75%) to PT Lamindo Inter Multikon the transfer price of Rp656.000.000. On the transfer of ownership of shares, was notarized by Deed No. 10 dated September 28, 2015 which was notarized in Notarial Rohana Frieta, AH. This transaction effectively occurs at the closing date March 31, 2016.

**viii DEFERRED CHARGES**

Balance and movement of deferred charges for the year ended March 31, 2016:

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Acquisition cost:</u>				
Pre-operative expense-				
Kutai Timur	5,265,348,882	-	-	5,265,348,882
Total Acquisition Cost	5,265,348,882	-	-	5,265,348,882
<b>Net book value</b>	<b>5,265,348,882</b>			<b>5,265,348,882</b>

Balance and movement of deferred charges for the year ended March 31, 2015:

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Acquisition cost:</u>				
Pre-operative expense-				
Kutai Timur	5,265,348,882	-	-	5,265,348,882
Total Acquisition Cost	5,265,348,882	-	-	5,265,348,882
<b>Net book value</b>	<b>5,265,348,882</b>			<b>5,265,348,882</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

**ix. SUNDRY CREDITORS**

	2016	2015
Employee	3,310,741	-
PT Lamindo Inter Multikon	-	4,370,468,205
PT Sumber Dana Usaha	-	732,500,000
Other	878,513,205	3,477,000
	<b>881,823,946</b>	<b>5,106,445,205</b>

**x. PROVISIONS**

	2016	2015
Provision for expenses payable	41,560,609	16,500,000
	<b>41,560,609</b>	<b>16,500,000</b>

**xi. TAXATION**

	2016	2015
<b>a. Taxes payable</b>		
VAT on sales	449,290,750	224,497,750
With Holding Tax 25	36,440,500	-
Income tax - article 21	6,977,206	5,912,654
	<b>492,708,456</b>	<b>230,410,404</b>
<b>b. Tax income/(expense)</b>		
	2016	2015
Deferred tax income/(expenses)	7,500,254	(133,823,785)
<b>Total</b>	<b>7,500,254</b>	<b>(133,823,785)</b>
The reconciliation between income before tax as shown in the statements of income and the estimated taxable income are as follows:		
	2016	2015
<b>Profit/(loss) before income tax</b>	<b>419,757,634</b>	<b>(2,424,844,602)</b>
<u>Temporary differences:</u>		
Depreciation of fixed assets	30,001,016	22,344,019
<u>Permanent differences:</u>		
Insurance	87,639,250	87,639,250
Interest from Bank	(165,999)	1,184,075
Taxable income before tax loss carry forward	<b>537,231,901</b>	<b>(2,313,677,258)</b>
Addition: Tax loss carry forward	(6,447,569,204)	(7,248,663,528)
<b>Estimated taxable loss</b>	<b>(5,910,337,303)</b>	<b>(9,562,340,785)</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

**xi. TAXATION**

**c. Deferred tax**

	2016	2015
<u>Deferred tax assets</u>		
Tax loss	1,477,584,326	1,672,681,185
Depreciation fixed assets	10,198,222	2,697,968
Sub total	1,487,782,547	1,675,379,152
<u>Deferred tax liabilities</u>		
Pre-operative expenses	(1,121,740,362)	(1,316,337,221)
Sub total	(1,121,740,362)	(1,316,337,221)
<b>Deferred tax Asset/( Liabilities)</b>	<b>366,042,186</b>	<b>359,041,932</b>

**d. Administration**

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The tax authorities can assess or amend the taxes within a period of five (5) years from the date the taxes became due.

**xii. OTHER PAYABLES**

	2016	2015
Interest Payable	10,524,055,260	9,078,220,402
Outstanding Expens	873,576,528	28,985,752
Unsecure loans intrerest Forex	129,134,272	119,032,000
Jamsostek Payable	3,856,737	3,474,944
	<b>11,530,622,797</b>	<b>9,229,713,098</b>

**xiii. UNSECURED LOANS**

As of March 31, 2016 and 2015 the balance of this account is follows:

	2016	2015
PT Adani Global	24,335,300,000	21,967,800,000
Porex Loan From Parent	913,400,000	875,000,000
PT Sumber Bara	240,000,000	250,000,000
	<b>25,488,700,000</b>	<b>23,092,800,000</b>

The Company received unsecured loan from related party, PT Adani Global, to support mine acquisition and working capital.

**Supplementary Information**  
**PT NIAGA ANTAR BANGSA - PARENT ONLY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
As of March 31, 2016

*( Expressed In Rupiah, unless otherwise stated)*

**xiv. SHARE CAPITAL**

The Company's authorized capital consist of 4,000 shares with par value per share of Rp 500,000,- 1,020 shares issued and paid up capital.

The composition of issued and paid-up shares as of March 31, 2016 and 2015 is as follows:

Shareholders	Number of Shares Issued	Percentage of Ownership	Amount
PT Sumber Bara	765	75%	382,500,000
PT Energy Resource	255	25%	127,500,000
	<b>1020</b>	<b>100%</b>	<b>510,000,000</b>

**xv. SALES**

This account represents sales of drilling service for the period ended March 31, 2016 and March 31, 2015 amounting to Rp 3.644.050.000 and Rp1,411,120,000.

**xvi. COST OF SALES**

	2016	2015
Salaries & allowance	1,313,670,583	1,506,203,101
Pension retirement	159,021,450	139,810,750
Depreciation	83,600,000	83,600,000
Field break travel	40,500,000	45,600,000
Electricity & water	28,855,000	-
Legal fees	26,700,000	-
Contribution to deat	21,251,801	-
Audit Fees	20,000,000	16,500,000
Others	9,244,525	63,519,419
	<b>1,702,843,359</b>	<b>1,855,233,270</b>

**xvii. GENERAL AND ADMINISTRATIVE EXPENSE**

	2016	2015
Medical Expenses	62,281,421	12,256,000
Tax Expenses	1,000,000	-
Others	-	76,860,250
	<b>63,281,421</b>	<b>89,116,250</b>

Supplementary Information  
PT NIAGA ANTAR BANGSA - PARENT ONLY  
NOTES TO THE FINANCIAL STATEMENTS  
As of March 31, 2016

( Expressed In Rupiah, unless otherwise stated)

**xviii. OTHERS INCOME (EXPENSES)**

	2016	2015
Other Income		
Foreign exchange gain/loss (unrealised)	38,400,000	336,000,000
Interest income	165,999	1,184,075
	<u>38,565,999</u>	<u>337,184,075</u>
Other Expenses		
Foreign exchange gain/loss (realised)	(1,494,337,130)	(402,554,880)
Bank charges	(2,396,455)	(2,305,702)
Interest expenses	-	(1,823,938,575)
	<u>(1,496,733,585)</u>	<u>(2,228,799,157)</u>
Other Income (Expense) - net	<u><u>(1,458,167,586)</u></u>	<u><u>(1,891,615,082)</u></u>

**xix. GOING CONCERN**

Company management to evaluate the entity's ability to continue as a going concern and require disclosures when either financial statements are prepared on a going concern basis or there is substantial doubt about the entity's ability to continue as a going concern. The Company management confirm that :

1. It has no intention to cease the operation of the Company within the next year or within foreseeable future. No Liquidation within the next 12 months.
2. It will continue to provide financial and / or other support as necessary for the Company to enable it to continue its operation and to meet its obligations when they are due.
3. In the case of financial difficulties the company's shareholders will support.

The financial statements have been prepared on basis of the Company continuing as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.