

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES

Consolidated Financial Statements

For the year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

Ref : R-409/NAB-KPS/SYM06/IV/2018

**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, 2018, 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, 2018, 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, 2018 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, 2018, 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

23 April 2018

Ref. : R-409/NAB-KPS/SYM06/IV/2018

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PT. NIAGA ANTAR BANGSA

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**DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY ON
THE FINANCIAL STATEMENTS
PT NIAGA ANTAR BANGSA AND SUBSIDIARIES
FOR THE YEAR ENDED
March 31, 2018**

We, the undersigned :

Name : Mr. Dani Daksinaputra
Office address : Graha Mustika Ratu, Lantai 3, Jl. Jend.Gatot Subroto Kav. 74-75 Jakarta Selatan
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 the company's financial statement;
2. The company's financial statements have been prepared and presented in conformity with Indonesian Finance Accounting Standard;
3. a. All information in the company's financial statements have been disclosed in a complete and truthful manner;
b. The company's financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts; and
4. We are responsible for the company's internal control system.

This statements is made truthfully.

Jakarta , April 23, 2018



Mr. Dani Daksinaputra
Director

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

As at March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	24,879,213,153	16,168,128,070
Sundry debtors	2d, 4	18,575,139,480	-
Inventory	5	105,085,111,288	55,146,813,952
Prepaid and Advances	6	36,460,065,916	31,284,708,740
Total current assets		184,999,529,837	102,599,650,762
NON CURRENT ASSETS			
Capital advance	7	16,734,200,000	16,647,400,000
Fixed assets - net	2f, 8	143,578,023,750	194,847,397,958
Investments	2i	200,000,000	200,000,000
Deferred charges	2e,9	141,712,292,172	162,342,768,743
Deposits	10	30,420,456,185	28,089,636,764
Deferred tax assets	2j,13c	30,851,490,703	72,121,744,332
Others assets	11	33,512,244,529	15,821,690,336
Total non current assets		397,008,707,339	490,070,638,133
TOTAL ASSETS		582,008,237,176	592,670,288,895
LIABILITIES AND EQUITY			
LIABILITIES			
SHORT TERM LIABILITIES			
Sundry creditors	2h,12	149,708,104,375	87,943,942,274
Taxes payables	2j,13a	8,601,597,869	10,843,208,428
Other payables	14	465,088,336,250	632,571,641,435
Total short term liabilities		623,398,038,494	731,358,792,137
LONG TERM LIABILITIES			
Provision for retirement benefits	15	27,005,475,728	22,092,110,706
Loans	16	32,014,334,211	36,540,733,317
Total long term liabilities		59,019,809,939	58,632,844,023
TOTAL LIABILITIES		682,417,848,433	789,991,636,160
EQUITY			
Authorized capital - 4,000 shares Rp500,000 par value per share			
Share capital - 1020 shares subscribed and fully paid up	18	510,000,000	510,000,000
Accumulated profit (Loss)		(55,593,509,169)	(132,991,191,651)
Capital reserves		50,000,000	50,000,000
Additional paid in capital		(876,180,377)	(876,180,377)
Other comprehensive income		(22,122,884,631)	(17,840,123,897)
Total Equity Attributable to Owners of the Company		(78,032,574,177)	(151,147,495,925)
Non controlling interest	17	(22,377,037,080)	(46,173,851,340)
TOTAL EQUITY		(100,409,611,257)	(197,321,347,265)
TOTAL LIABILITIES AND EQUITY		582,008,237,176	592,670,288,895

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
SALES	2k, 19	1,050,291,245,506	995,770,331,249
COST OF SALES	20	<u>(738,056,627,512)</u>	<u>(706,692,628,366)</u>
GROSS PROFIT		312,234,617,994	289,077,702,883
GENERAL AND ADMINISTRATIVE EXPENSES	2k, 21	<u>(136,014,969,151)</u>	<u>(99,833,353,470)</u>
OPERATING PROFIT (LOSS)		<u>176,219,648,843</u>	<u>189,244,349,413</u>
OTHER INCOME/ (EXPENSES)	2k, 22		
Other income		2,226,647,000	2,260,896,286
Other expenses		<u>(28,170,434,016)</u>	<u>(8,135,112,765)</u>
		<u>(25,943,787,016)</u>	<u>(5,874,216,479)</u>
PROFIT (LOSS) BEFORE INCOME TAX		<u>150,275,861,827</u>	<u>183,370,132,934</u>
Current tax	13b	(6,383,524,544)	(8,938,348,050)
Deferred tax	13b	<u>(42,697,840,541)</u>	<u>(30,085,107,834)</u>
		<u>(49,081,365,085)</u>	<u>(39,023,455,884)</u>
NET PROFIT/(LOSS) FOR THE YEAR		<u>101,194,496,743</u>	<u>144,346,677,050</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Actuarial losses		(5,710,347,646)	(8,955,945,159)
Related income tax		<u>1,427,586,912</u>	<u>2,238,986,290</u>
		<u>(4,282,760,735)</u>	<u>(6,716,958,869)</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE)		<u>96,911,736,008</u>	<u>137,629,718,181</u>
Net Profit Attributable to:			
Owners of the parent		77,431,479,886	110,163,659,754
Non controlling interest	17	<u>23,763,016,857</u>	<u>34,183,017,296</u>
		<u>101,194,496,743</u>	<u>144,346,677,050</u>
Total Comprehensive Income Attributable to:			
Owners of the parent		73,148,719,152	103,446,700,885
Non controlling interest	17	<u>23,763,016,857</u>	<u>34,183,017,296</u>
		<u>96,911,736,008</u>	<u>137,629,718,181</u>

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

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

Notes	Share capital	Other Comprehensive Income	Accumulated profit/(loss)	Capital Reserves	Additional paid in capital	Non controlling interest	Total
Balance as of March 31, 2016	510,000,000	(11,123,165,028)	(243,187,171,810)	-	(876,180,377)	(80,323,071,233)	(334,999,588,447)
Asset of tax amnesty	-	-	-	50,000,000	-	-	50,000,000
Retained earning correction	-	-	(1,477,000)	-	-	-	(1,477,000)
Net profit (loss) for the year	-	(6,716,958,869)	110,163,659,754	-	-	34,183,017,296	137,629,718,181
Balance as of March 31, 2017	510,000,000	(17,840,123,897)	(133,024,989,056)	50,000,000	(876,180,377)	(46,140,053,937)	(197,321,347,265)
Net profit (loss) for the year	-	(4,282,760,735)	77,431,479,886	-	-	23,763,016,857	96,911,736,008
Balance as of March 31, 2018	510,000,000	(22,122,884,631)	(55,593,509,170)	50,000,000	(876,180,377)	(22,377,037,080)	(100,409,611,257)

PT NIAGA ANTAR BANGSA AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	2018	2017
Cash flows from operating activities		
Profit/(loss) before income tax	150,275,861,827	183,370,132,934
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(4,282,760,735)	(6,716,958,869)
Depreciation of fixed assets	37,095,083,957	46,337,421,541
Retained earning adjusted	-	(1,477,000)
Amortization of deferred charges	21,749,199,458	17,436,729,049
Provision for retirement benefits	4,913,365,022	3,442,419,154
Profit (Loss) fixed asset	4,390,505,430	(1,013,688,951)
Operating cash flows before changes in working capital	214,141,254,959	242,854,577,858
Changes in working capital		
Sundry debtors	(18,575,139,480)	459,880,507
Inventory	(49,938,297,336)	49,373,800,634
Advances	(5,175,357,176)	(2,512,086,211)
Prepaid expenses	-	2,088,146,069
Prepaid taxes	-	84,885,750
Other assets	7,979,838,559	(2,853,220,798)
Deposits	(2,330,819,421)	(476,877,610)
Sundry creditors	61,764,162,101	(23,633,709,569)
Provision	-	(28,369,675,521)
Taxes paid	(26,315,689,296)	(7,776,009,479)
Other payables	67,424,941,709	(60,954,276,100)
Net changes in working capital	34,833,639,660	(74,569,142,328)
Net cash flows provided from (used in) operating activities	248,974,894,619	168,285,435,530
Cash flows from investing activities		
Advance capital	(86,800,000)	(9,200,000)
Acquisition of fixed assets	(1,480,295,228)	(2,733,493,874)
Disposal of fixed assets	1,856,654,579	1,271,727,044
Deferred charges	(1,118,722,887)	(1,198,669,786)
Net cash flows used in investing activities	(829,163,536)	(2,669,636,616)
Cash flows from financing activities		
Capital reserves	-	50,000,000
Advance Adani Global Pte.	(234,908,246,894)	(181,832,639,571)
Unsecured loans	(4,526,399,106)	(3,430,381,905)
Net cash flows used from financing activities	(239,434,646,000)	(185,213,021,476)
Net increase/(decrease) in cash and cash equivalents	8,711,085,083	(19,597,222,561)
Cash and cash equivalents at the beginning of the year	16,168,128,070	35,765,350,631
Cash and cash equivalents at the end of the year	24,879,213,153	16,168,128,070

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

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

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 May 08, 2013, 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:

2018 & 2017

Commissioner : Ms. Prosidawaty Malemta

Director

President Director : Drs.Abdi Khalik Ginting

Director : Mr. Dani Daksinaputra

As of March 31, 2018 and 2017 the Company has a total of 8 and 9 employees. The Subsidiary PT Lamindo Inter Multikon total employees as of March 31, 2018 and 2017 has a total 544 and 625 employees. The Subsidiary PT Mitra Niaga Mulia total employees as of March 31, 2018 and 2017 had total of 52 and 57 employees.

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, 2018

(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, 2018 and 2017, the composition of the Company and its subsidiaries (collectively referred to as the "Company") is as follows:

Company Name	Domicile	Percentage ownership	Total Aset 2018	Total Aset 2017
Subsidiaries with direct ownership				
PT Lamindo Inter Multikon	Jakarta	75%	380,695,085,226	356,627,571,106
PT Mitra Niaga Mulia	Jakarta	75%	217,414,956,590	190,171,458,052
PT Hasta Mudra	Jakarta	75%	2,506,398,678	2,376,760,178
PT Gemilang Pusaka Pertiwi	Jakarta	75%	1,884,253,784	1,887,828,883
PT Tambang Sejahtera Bersama	Jakarta	75%	8,369,364,048	8,046,159,939
PT Suar Harapan Bangsa	Jakarta	75%	12,606,614,807	11,966,146,232

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 23, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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>2018</u>		<u>2017</u>	
US Dollar (USD) 1	Rp	13,756	Rp	13,322

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.

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Exploration & evaluation assets

The Company adopted SFAS No. 64 (Revised 2011) , " Exploration for and Evaluation of Mineral Resources " . SFAS No. 64 (Revised 2011) provides that an entity is required to determine the accounting policies that specify on expenditures are recognized as exploration and evaluation assets and apply the policy consistently .

The Company determined that all costs associated with exploration activities , acquisitions , and asset evaluation coal sources , including overhead costs that are directly related and interest expenses directly related to exploration and evaluation of coal are capitalized as exploration assets and evaluation of intangibles. Exploration and evaluation assets are amortized for 10 years .

Cash flows related to capitalized exploration and evaluation costs are classified as cash flows from investing activities in the statement of cash flows , while the cash flows associated with the exploration and evaluation costs are expensed are classified as cash flows from operating activities.

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

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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".

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 2013) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2013) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2015, 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, 2018

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The Company has utilized tax amnesty program in accordance with the Constitution about tax amnesty No. 11 in 2016. The Company admitted and noted additional asset and liability which are related to the tax amnesty program as regulated

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

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3. CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand	38,516,800	37,301,600
Bank IDR		
- PT Bank Mandiri (Persero) Tbk	1,309,149,671	1,394,210,247
- BPD Kaltim	177,323,500	2,273,247,411
- PT Bank Negara Indonesia (Persero) Tbk	544,646,517	313,615,270
- PT Bank CIMB Niaga Tbk	14,793,835	16,721,835
- State Bank Of India	199,768,601	823,657
Subtotal	2,245,682,124	3,998,618,420
Bank USD		
- PT Bank Mandiri (Persero) Tbk (USD 1,526,334.19 in 2018 and USD 660,234.77 in 2017)	20,996,253,117	8,795,647,606
- State Bank Of India (USD 53,759.28 in 2018 and USD 53,859.26 in 2017)	739,512,656	717,513,061
- Standard Chartered Bank (USD 62,463.54 in 2018 and 196,595.66 in 2017)	859,248,456	2,619,047,383
Subtotal	22,595,014,229	12,132,208,050
Total bank	24,840,696,353	16,130,826,470
Total cash and cash equivalents	24,879,213,153	16,168,128,070

4. SUNDRY DEBTORS

	2018	2017
Sundry debtors	18,575,139,480	-
Total	18,575,139,480	-
The aging analysis of sundry debtor is as follows :		
Due date :		
Less than 90 days	18,575,139,480	-
Total	18,575,139,480	-

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.

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5. INVENTORY

	2018	2017
Coal	89,213,144,074	33,861,617,772
Sparepart	11,028,510,848	15,035,237,507
Fuel	4,843,456,366	6,249,958,673
Total	105,085,111,288	55,146,813,952

As of March 31, 2018, inventory crushed coal and Run of Mine in the open storage are covered by insurance. Based on Management's opinion, the insurance is adequate to cover possible losses.

6. PREPAID AND ADVANCES

	2018	2017
Advances to supplier and service provider	35,165,878,369	28,090,740,143
Insurance claim	305,937,107	216,879,220
Advance to staff	988,250,440	792,525,753
Prepaid expenses	-	2,184,563,624
Total	36,460,065,916	31,284,708,740

7. CAPITAL ADVANCE

	2018	2017
Capital advance	16,734,200,000	16,647,400,000
Total	16,734,200,000	16,647,400,000

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8. FIXED ASSETS

Balance and movement of fixed assets for the year ended March 31, 2018:

	2018				
	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
Acquisition cost:					
Land	1,454,326,754	-	-	-	1,454,326,754
Building and structures	60,879,251,872	-	6,297,940,000	-	54,581,311,872
Jetty	43,893,467,898	-	3,842,815,900	-	40,050,651,998
plant & machinery	271,849,293,491	1,194,455,228	-	-	273,043,748,719
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	9,354,482,091	-	1,396,193,334	-	7,958,288,757
Computer	2,471,866,248	68,590,000	-	-	2,540,456,248
Office equipment - furniture	12,723,648,916	217,250,000	102,339,997	-	12,838,558,919
Mining equipment	245,031,649,492	-	17,042,723,240	-	227,988,926,252
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
Total acquisition cost	657,304,375,050	1,480,295,228	28,682,012,471	-	630,102,657,807
Accumulated depreciation:					
Building and structures	33,124,406,694	2,286,112,031	2,308,741,406	-	33,101,777,319
Jetty	18,024,655,751	2,178,354,588	1,584,854,485	-	18,618,155,854
Plant & machinery	157,804,728,691	27,077,392,571	-	-	184,882,121,262
Drilling machine	585,200,000	83,600,000	-	-	668,800,000
Vehicle	9,189,800,714	164,681,377	1,396,193,334	-	7,958,288,757
Computer	2,351,685,256	72,508,533	-	-	2,424,193,789
Office equipment furniture	9,765,218,482	2,033,528,151	102,339,997	-	11,696,406,636
Mining equipment	240,194,833,401	3,198,906,706	17,042,723,240	-	226,351,016,867
Misc. site equipment	998,496,062	-	-	-	998,496,062
Total accumulated depreciation	472,039,025,051	37,095,083,957	22,434,852,462	-	486,699,256,546
Net book value	185,265,349,999				143,403,401,261
Works in progress					
Work in progress	9,582,047,959	157,192,524	9,564,617,994	-	174,622,489
Total works in progress	9,582,047,959	157,192,524	9,564,617,994	-	174,622,489
Carrying value of fixed assets	194,847,397,958				143,578,023,750

As of March 31, 2018, all fixed assets are covered by insurance with a total sum insured amounting to USD 42,516,500. Based on Management's opinion, the insurance is adequate to cover possible losses.

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8. FIXED ASSETS (Continued)

Balance and movement of fixed assets for the year ended March 31, 2017:

	2017				
	Beginning balance	Additions	Deductions	Reclasifications	Ending balance
Acquisition cost:					
Land	1,454,326,754	-	-	-	1,454,326,754
Building and structures	60,879,251,872	-	-	-	60,879,251,872
Jetty	43,893,467,898	-	-	-	43,893,467,898
plant & machinery	264,059,742,260	11,192,500	-	7,778,358,731	271,849,293,491
Drilling machine	836,000,000	-	-	-	836,000,000
Vehicle	10,428,063,594	-	1,073,581,503	-	9,354,482,091
Computer	2,450,655,830	26,990,000	5,779,582	-	2,471,866,248
Office equipment - furniture	12,466,449,916	257,199,000	-	-	12,723,648,916
Mining equipment	257,002,117,492	-	11,970,468,000	-	245,031,649,492
Misc. site equipment	8,810,388,288	-	-	-	8,810,388,288
Total acquisition cost	662,280,463,904	295,381,500	13,049,829,085	7,778,358,731	657,304,375,050
Accumulated depreciation:					
Building and structures	30,811,550,731	2,312,855,963	-	-	33,124,406,694
Jetty	15,829,981,960	2,194,673,791	-	-	18,024,655,751
Plant & machinery	130,246,588,341	27,558,140,350	-	-	157,804,728,691
Drilling machine	501,600,000	83,600,000	-	-	585,200,000
Vehicle	9,524,927,615	480,415,751	815,542,652	-	9,189,800,714
Computer	2,226,357,785	131,107,360	5,779,889	-	2,351,685,256
Office equipment furniture	7,236,950,842	2,528,267,640	-	-	9,765,218,482
Mining equipment	241,116,941,166	11,048,360,686	11,970,468,451	-	240,194,833,401
Misc. site equipment	998,496,062	-	-	-	998,496,062
Total accumulated depreciation	438,493,394,502	46,337,421,541	12,791,790,992	-	472,039,025,051
Net book value	223,787,069,402				185,265,349,999
Works in progress					
Work in progress	14,316,921,712	4,701,103,206	1,657,618,228	(7,778,358,731)	9,582,047,959
Total works in progress	14,316,921,712	4,701,103,206	1,657,618,228	(7,778,358,731)	9,582,047,959
Carrying value of fixed assets	238,103,991,114				194,847,397,958

As of March 31, 2017, all fixed assets are covered by insurance with a total sum insured amounting to USD 47,888,750. Based on Management's opinion, the insurance is adequate to cover possible losses.

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9. DEFERRED CHARGES

Balance and movement of deferred charges for the year ended March 31, 2018:

	2018			
	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	81,661,353,248	-	-	81,661,353,248
Miscellaneous expense	132,154,268,175	-	-	132,154,268,175
Pre-operative expense	3,857,299,518	1,118,722,887	-	4,976,022,405
Total acquisition cost	217,672,920,940	1,118,722,887	-	218,791,643,827
<u>Accumulated amortization:</u>				
Land compensation	18,021,239,618	10,881,192,595	-	28,902,432,213
Miscellaneous expense	37,308,912,580	10,868,006,863	-	48,176,919,442
Total accumulated amortization	55,330,152,198	21,749,199,458	-	77,079,351,655
Net book value	162,342,768,743			141,712,292,172

Balance and movement of deferred charges for the year ended March 31, 2017:

	2017			
	Beginning balance	Additions	Deductions	Ending balance
<u>Acquisition cost:</u>				
Land compensation	81,461,353,248	200,000,000	-	81,661,353,248
Miscellaneous expense	132,154,268,175	-	-	132,154,268,175
Pre-operative expense	3,464,002,336	998,669,786	605,372,604	3,857,299,518
Total acquisition cost	217,079,623,759	1,198,669,786	605,372,604	217,672,920,941
<u>Accumulated amortization:</u>				
Land compensation	11,496,675,746	6,524,563,872	-	18,021,239,618
Miscellaneous expense	26,396,747,403	10,912,165,177	-	37,308,912,580
Total accumulated amortization	37,893,423,149	17,436,729,049	-	55,330,152,198
Net book value	179,186,200,610			162,342,768,743

Deferred charges is intangible asset that reclassified from Exploration and evaluation assets.

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10. DEPOSITS

	2018	2017
Statutory Deposits	30,420,456,185	28,089,636,764
Statutory Deposits include reclamation deposit as follow:		
in 2011	6,392,406,712	6,392,406,712
in 2012	3,897,590,267	3,897,590,267
in 2013	4,865,582,382	4,865,582,382
in 2014	3,187,471,630	3,187,471,630
in 2015	2,044,408,201	2,044,408,201
in 2016	1,274,675,577	1,274,675,577
in 2017	2,839,978,863	2,839,978,863
in 2018	5,043,979,733	-
Total	29,546,093,365	24,502,113,632

11. OTHER ASSETS

	2018	2017
Others assets	33,512,244,529	15,821,690,336
Total	33,512,244,529	15,821,690,336

Others assets represent income tax - article 28a.

12. SUNDRY CREDITORS

	2018	2017
Related parties		
- Sundry creditors - group company	7,772,349,200	3,258,050,200
Third parties		
- Sundry creditors for expenses	123,855,073,485	34,694,955,255
- Sundry creditors for goods/spares	10,850,133,888	47,430,926,146
- Sundry creditors for capital goods	7,230,547,802	2,560,010,673
Total	149,708,104,375	87,943,942,274

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13. TAXATION

a. Taxes payable

	2018	2017
Company		
VAT-out	-	215,232,700
Income tax - article 23	47,560,810	21,523,270
Income tax - article 21	14,822,747	7,011,763
Subtotal	62,383,557	243,767,733
Subsidiaries		
Income tax - article 21	1,061,233,812	1,026,377,184
Income tax - article 23	928,209,065	606,415,570
Income tax - article 15	78,650,701	72,910,410
VAT-out	52,309,308	-
Income tax - article 26	51,556,581	-
Income tax - article 4 (2)	31,111,111	-
Income tax - article 29	6,336,143,734	8,893,737,531
Subtotal	8,539,214,312	10,599,440,695
Total	8,601,597,869	10,843,208,428

b. Expense corporate income tax

	2018	2017
Company		
Current tax expenses	(47,380,810)	(44,610,519)
Deferred tax income/(expenses)	-	(366,542,186)
Subtotal	(47,380,810)	(411,152,705)
Subsidiaries		
Current tax expenses	(6,336,143,734)	(8,893,737,531)
Deferred tax income/(expenses)	(42,697,840,541)	(29,718,565,648)
Subtotal	(49,033,984,275)	(38,612,303,179)
Total	(49,081,365,085)	(39,023,455,884)

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13. TAXATION (Continued)

b. Expense corporate income tax (Continued)

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

	2018	2017
Consolidated income before income tax	150,275,861,827	183,370,132,934
Less: Income (loss) before taxes subsidiary and elimination	-	(182,084,418,481)
Income before income tax - Company	150,275,861,827	1,285,714,453
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	-
<i>Permanent differences:</i>		
Telephone expenses	-	-
Income subject to final income tax	-	-
Taxable income before tax loss carry forward	150,275,861,827	1,285,714,453
Adjustment	-	-
Addition: Tax loss carry forward	(150,275,861,827)	(1,285,714,453)
Estimated taxable profit/(loss)	-	-
Income tax article 29 - Company	-	-
Add: Corporate income tax - subsidiaries	(6,336,143,734)	(8,893,737,531)
Corporate income tax - consolidated	(6,336,143,734)	(8,893,737,531)

Based on Government Regulation No. 46 year 2013, in 2017 the Company fall under 1% final tax. The calculation as follow:

	2018	2017
Revenue	4,738,081,065	
Corporate tax payable - article 29 (rate 1%)	47,380,810	-

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13. TAXATION (Continued)

c. Deferred tax

	2018	2017
Subsidiaries		
Deferred tax assets		
Tax loss	1,383,178,991	45,085,484,610
Depreciation of fixed assets	24,126,783,360	23,496,045,451
Pension retirement benefit	6,655,686,000	5,427,344,744
Deferred tax liabilities		
Pre-operative expenses	(1,314,157,647)	(1,887,130,473)
Sub total	30,851,490,703	72,121,744,332
Total	30,851,490,703	72,121,744,332

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.

On January 16, 2017, the company have taken advantage of the tax amnesty program in accordance with constitution No. 11 Year 2016. Based on the Certificate of Tax Amnesty (SKPP) of the Directorate General of Taxation No. KET-1948/PP/WPJ.04/2017 dated January 23, 2017, an additional amount of tax amnesty assets is current asset amount Rp 50,000,000 with the amount of ransom which are recognized in the income statement upon receipt Certificate of Tax Amnesty is Rp 1,000,000.

In accordance with the Constitution of Tax Amnesty, with the receipt of SKPP, all tax obligations until 2015 pardoned and all rights related taxation can not be utilized by the Company.

14. OTHER PAYABLES

	2018	2017
Interest payable	22,848,512,044	19,939,422,535
Salaries payable	7,265,229,643	1,918,978,716
Wages payable	438,510	438,510
Others	434,974,156,053	610,712,801,674
Total	465,088,336,250	632,571,641,435

Other payables includes receipts from customers

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15. 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, 2018 and 2017 amounted to Rp 27,005,475,728, and Rp 22,092,110,706, respectively. As of March 31, 2018, 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:

	2018	2017
Salary increase rate	7%	7%
Discount rate	7,06%	7,68%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (liabilities) / assets in balance sheet:		
	2018	2017
Subsidiaries		
Assets and liabilities		
Present value of defined benefit obligation	27,005,475,728	22,092,110,706
Fair value of plan assets	-	-
Funding status	27,005,475,728	22,092,110,706
Recognition of (liabilities) / assets in balance sheet	27,005,475,728	22,092,110,706
Subsidiaries		
(Liabilities)/assets at beginning period	22,092,110,706	18,649,691,552
(Expenses)/revenue	5,422,241,844	5,081,314,965
Other comprehensive income / (expenses)	5,710,347,645	8,955,945,159
Realization of benefits payment	(6,219,224,467)	(10,594,840,970)
(Liabilities)/assets at ending period	27,005,475,728	22,092,110,706
Expenses		
Current services cost	3,727,264,457	3,556,757,213
Interest cost	1,694,977,387	1,524,557,752
Increase/ (decrease) in liabilities transition	-	-
Expenses / (revenue) in income statement	5,422,241,844	5,081,314,965

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16. LOANS

Unsecured loan

As of March 31, 2018 and 2017 the balance of this account is follows:

	2018	2017
PT Adani Global	31,824,334,211	36,325,733,317
PT Sumber Bara	190,000,000	215,000,000
Total	32,014,334,211	36,540,733,317

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.

17. NON CONTROLLING INTEREST

a. The balance of non controlling in net loss of subsidiaries on March 31, 2018 and 2017 are as follows:

	2018	2017
PT Niaga Lintas Samudra	23,763,016,857	34,183,017,296
Total	23,763,016,857	34,183,017,296

b. The balance of non controlling in subsidiaries' net assets at March 31, 2018 and 2017 are as follows:

	2018	2017
PT Niaga Lintas Samudra	(22,377,037,080)	(46,140,053,937)
Total	(22,377,037,080)	(46,140,053,937)

18. 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, 2018 and 2017.

The composition of issued and paid-up shares as of March 31, 2018 and 2017 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
Total	1020	100%	510,000,000

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19. SALES

	2018	2017
Coal	1,050,291,245,506	995,770,331,249
Total	1,050,291,245,506	995,770,331,249

20. COST OF SALES

	2018	2017
Opening stocks	33,861,617,772	78,827,445,434
Direct cost		
OB removal service	260,850,716,246	199,343,940,614
Solar & FOG expenses	128,951,926,945	104,021,524,616
Salaries	86,599,208,375	88,772,430,203
Crane hiring rent	73,198,991,311	57,116,089,547
Barges rent	40,501,680,432	42,707,058,293
Depreciation	37,095,083,957	46,337,420,819
Demurage expenses	31,918,036,720	5,624,802,833
Dump truck expenses	26,501,770,206	19,152,214,438
Coal handling plant	17,235,902,664	12,472,222,676
Rental equipment charges	16,112,644,512	18,235,014,690
Excavator expenses	12,884,313,348	12,671,744,764
Generator expenses	12,379,312,265	9,186,209,632
Repair and maintenance	10,077,192,474	3,856,092,116
Drilling and exploration expenses	10,484,824,065	9,504,796,458
Stevedoring expenses	10,160,497,746	12,892,504,616
Dozer expenses	5,095,782,309	5,541,347,225
Freight others	4,515,805,259	4,256,538,115
General spares expenses	4,252,089,080	3,111,792,711
Testing & analysis expenses	1,745,309,562	3,902,427,877
Pickup expenses	1,672,201,019	1,562,174,965
Loading & unloading	662,237,003	528,463,120
Marine insurance	266,578,164	426,579,281
Wages (site)	188,982,245	233,687,455
Others	57,067,907	269,723,640
Subtotal direct cost	793,408,153,814	661,726,800,704
Closing stocks	(89,213,144,074)	(33,861,617,772)
Total	738,056,627,512	706,692,628,366

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
Royalty / PNB	40,620,544,787	26,407,314,162
Amortization of deferred expenses	21,749,199,458	17,436,742,197
Traveling expenses	10,930,138,260	10,439,256,606
Reclamation expenses	7,651,012,010	351,317,348
Fooding expenses	5,818,256,922	6,677,917,978
Tax expenses	5,844,331,288	2,516,437,857
Employee benefit	5,422,241,844	5,081,314,965
Insurance expenses	5,036,883,873	5,055,851,460
Security charges	4,163,800,000	33,075,000
Legal & professional fees	4,801,827,941	2,264,127,028
Medical	3,949,184,350	4,673,048,672
Office expenses	3,809,417,995	4,208,702,215
Miscellaneous	3,662,345,120	1,590,536,309
Miscellaneous shipping	3,246,367,000	3,510,846,800
Honorarium	2,878,070,501	2,642,252,187
CSR expenses	1,169,771,465	1,109,733,000
Repair and maintenance	1,030,585,459	1,883,003,043
Fresh water charges	883,830,700	680,958,844
KP expenses	685,782,385	64,284,364
Rent	645,833,335	545,114,041
Speed boat charges	337,262,315	291,832,454
Heavy earth moving	218,952,300	378,731,600
Others	1,459,329,842	1,990,955,340
Total	136,014,969,151	99,833,353,470

22. OTHERS INCOME (EXPENSES)

	2018	2017
OTHERS INCOME		
Net interest income	1,395,311,100	1,218,217,235
Dividend income	31,465,300	28,990,100
Profit on disposal asset	-	1,013,688,951
Others	799,870,600	-
Sub total	2,226,647,000	2,260,896,286
OTHER (EXPENSES)		
Foreign exchange gain/loss	(21,357,642,682)	(6,374,707,577)
Loss on disposal asset	(4,390,505,430)	-
Interest expense	(1,592,816,904)	-
Bank charges	(560,505,700)	(969,641,234)
Others	(268,963,300)	(790,763,954)
Sub total	(28,170,434,016)	(8,135,112,765)
Total	(25,943,787,016)	(5,874,216,479)

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

23. FINANCIAL ASSET AND FINANCIAL LIABILITIES

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2018:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets :				
Cash and cash equivalents	24,879,213,153	24,879,213,153	-	-
Sundry debtors	18,575,139,480	18,575,139,480	-	-
Advance	36,460,065,916	36,460,065,916	-	-
Investments	200,000,000	-	200,000,000	-
Total financial assets	80,114,418,549	79,914,418,549	200,000,000	-
Financial liabilities :				
Sundry creditors	149,708,104,375	149,708,104,375	-	-
Others payable	465,088,336,250	465,088,336,250	-	-
Loans	32,014,334,211	32,014,334,211	-	-
Total financial liabilities	646,810,774,836	646,810,774,836	-	-

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

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets :				
Cash and cash equivalents	16,168,128,070	16,168,128,070	-	-
Advance	29,100,145,116	29,100,145,116	-	-
Investments	200,000,000	-	200,000,000	-
Total financial assets	45,468,273,186	45,268,273,186	200,000,000	-
Financial liabilities :				
Sundry creditors	87,943,942,274	87,943,942,274	-	-
Others payable	632,571,641,435	632,571,641,435	-	-
Loans	36,540,733,317	36,540,733,317	-	-
Total financial liabilities	757,056,317,026	757,056,317,026	-	-

24. 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.

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

For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

25. SUBSEQUENT EVENTS

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2018.

26. SUPPLEMENTARY INFORMATION

The supplementary information on pages 27 to 37 represents financial information of PT Niaga Antar Bangsa (parent company only) as at and for the years ended March 31, 2018 and 2017, 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.

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	i	36,917,927	67,084,823
Sundry debtors	ii	2,202,559,700	3,352,559,700
Advances	iii	10,000,000	19,730,800
Total Current Assets		2,249,477,627	3,439,375,323
Non Current Assets			
Capital advance	iv	16,734,200,000	16,647,400,000
Fixed assets - net	v	167,200,000	250,800,000
Long-term investments	vi	9,795,000,000	9,795,000,000
Deferred charges	vii	5,265,348,882	5,265,348,882
Total Non Current Assets		31,961,748,882	31,958,548,882
TOTAL ASSETS		34,211,226,509	35,397,924,205
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Sundry creditors	viii	17,981,537	27,455,512
Taxes payables	ix.a	62,383,557	243,767,733
Other payables	xx	13,960,286,340	12,277,594,467
Total Current Liabilities		14,040,651,434	12,548,817,712
Non Current Liabilities			
Unsecured loans	xi	20,584,700,000	25,122,900,000
Total Non Current Liabilities		20,584,700,000	25,122,900,000
TOTAL LIABILITIES		34,625,351,434	37,671,717,712
EQUITY			
Authorized capital - 4,000 shares			
Rp500,000 par value per share			
Share capital - 1,020 shares			
subscribed and fully paid up	xii	510,000,000	510,000,000
Capital reserves		50,000,000	50,000,000
Accumulated profit (loss)		(974,124,925)	(2,833,793,507)
TOTAL EQUITY		(414,124,925)	(2,273,793,507)
TOTAL LIABILITIES AND EQUITY		34,211,226,509	35,397,924,205

Supplementary Information

PT NIAGA ANTAR BANGSA - PARENT ONLY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
SALES	xiii	4,738,081,065	4,461,051,890
COST OF SALES	xiv	(1,001,793,482)	(1,250,800,130)
GROSS PROFIT		3,736,287,583	3,210,251,760
GENERAL AND ADMINISTRATIVE EXPENSE	xv	(201,306,649)	(237,830,118)
OPERATING PROFIT		3,534,980,934	2,972,421,642
OTHER INCOME (EXPENSE)	xvi		
Other income		56,706	9,267,770
Other expenses		(1,627,988,248)	(1,672,887,710)
OTHER INCOME (EXPENSE)		(1,627,931,542)	(1,663,619,940)
PROFIT /(LOSS) SUBSIDIARIES COMPANY		-	-
PROFIT BEFORE INCOME TAX		1,907,049,392	1,308,801,702
TAX INCOME (EXPENSES)			
Current tax	ix.b	(47,380,810)	(44,610,519)
Deferred Tax (expense) income		-	(366,542,186)
		(47,380,810)	(411,152,705)
NET PROFIT FOR THE YEAR		1,859,668,582	897,648,997
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		1,859,668,582	897,648,997

PT NIAGA ANTAR BANGSA - PARENT ONLY
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Share capital	Capital Reserves	Accumulated profit	Total
Balance as of March 31, 2016	510,000,000	-	(3,731,442,504)	(3,221,442,504)
Asset of tax amnesty	-	50,000,000	-	50,000,000
Comprehensive income (loss) for the year	-	-	897,648,997	897,648,997
Balance as of March 31, 2017	510,000,000	50,000,000	(2,833,793,507)	(2,273,793,507)
Comprehensive income (loss) for the year	-	-	1,859,668,582	1,859,668,582
Balance as of March 31, 2018	510,000,000	50,000,000	(974,124,925)	(414,124,925)

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
STATEMENTS OF CASH FLOW
For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	2018	2017
Cash flows from operating activities		
Profit/(loss) before income tax	1,907,049,392	1,308,801,702
<i>Add items not affecting operating cash flows</i>		
Depreciation	83,600,000	83,600,000
Operating cash flows before changes in working capital	1,990,649,392	1,392,401,702
Changes in working capital		
Other payables	1,682,691,873	746,971,670
Taxes payables	(181,384,176)	(248,940,723)
Provision	-	(41,560,609)
Advances	9,730,800	(7,386,800)
Sundry creditors	(9,473,975)	(854,368,434)
Sundry debtors	1,150,000,000	(844,046,495)
Prepaid tax	-	209,786,870
Net changes in working capital	2,651,564,522	(1,039,544,521)
Income tax	(47,380,810)	(44,610,519)
Net cash flows provided from (used in) operating activities	4,594,833,104	308,246,662
Cash flows from investing activities		
Capital advance	(86,800,000)	(9,200,000)
Net cash flows used in investing activities	(86,800,000)	(9,200,000)
Cash flows from financing activities		
Unsecured loans	(4,538,200,000)	(365,800,000)
Capital reserves	-	50,000,000
Net cash flows provided from financing activities	(4,538,200,000)	(315,800,000)
Net increase/(decrease) in cash and cash equivalents	(30,166,896)	(16,753,338)
Cash and cash equivalents at the beginning of the year	67,084,823	83,838,161
Cash and cash equivalents at the end of the year	36,917,927	67,084,823

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

i. CASH AND CASH EQUIVALENTS

	2018	2017
Bank Accounts:		
Bank Mandiri IDR Jakarta	36,917,927	67,084,823
Total	36,917,927	67,084,823

ii. SUNDRY DEBTORS

	2018	2017
Related Party		
PT Mitra Niaga Mulia	567,559,700	1,717,559,700
PT Gemilang Putra Pertiwi	1,635,000,000	1,635,000,000
Total	2,202,559,700	3,352,559,700

The aging analysis of sundry debtor is as follows :

Current	2,202,559,700	1,635,000,000
Total	2,202,559,700	1,635,000,000

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

	2018	2017
Advance staff	10,000,000	19,730,800
Total	10,000,000	19,730,800

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

iv. ADVANCE

	2018	2017
Capital advance	16,734,200,000	16,647,400,000
Total	16,734,200,000	16,647,400,000

v. FIXED ASSETS

March 31, 2018			
	Beginning Balance	Additions	Deductions
Acquisition cost:			
Drilling machine	836,000,000	-	-
	836,000,000	-	-
Accumulated depreciation:			
Drilling machine	585,200,000	83,600,000	-
	585,200,000	83,600,000	-
Net book value	250,800,000		167,200,000
March 31, 2017			
	Beginning Balance	Additions	Deductions
Acquisition cost:			
Drilling machine	836,000,000	-	-
	836,000,000	-	-
Accumulated depreciation:			
Drilling machine	501,600,000	83,600,000	-
	501,600,000	83,600,000	-
Net book value	334,400,000		250,800,000

Depreciation expense is presented in the statements of profit or loss and other comprehensive income as follows:

	2018	2017
Cost of sales	83,600,000	83,600,000
Total	83,600,000	83,600,000

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

vi. LONG-TERM INVESTMENTS

Investee	Domicile	Percentage ownership	2018	2017
<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	412,500,000
PT Gemilang Putra Pertiwi	Jakarta	75%	382,500,000	382,500,000
PT Tambang Sejahtera Bersama	Jakarta	75%	375,000,000	375,000,000
			9,795,000,000	9,795,000,000

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.

vii. DEFERRED CHARGES

Balance and movement of deferred charges for the year ended March 31, 2018 and 2017:

	Beginning Balance 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
Net book value	5,265,348,882			5,265,348,882

viii. SUNDRY CREDITORS

	2018	2017
Employee	381,537	455,512
Other	17,600,000	27,000,000
Total	17,981,537	27,455,512

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

ix. TAXATION

	2018	2017
a. Taxes payable		
VAT on sales	-	215,232,700
With Holding Tax 25	-	21,523,270
Income tax - article 23	47,560,810	-
Income tax - article 21	14,822,747	7,011,763
	62,383,557	243,767,733

b. Tax income/(expense)

	2018	2017
Deferred tax income/(expenses)	-	(366,542,186)
Total	-	(366,542,186)

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

	2018	2017
Profit/(loss) before income tax	-	1,308,801,702
<i>Temporary differences:</i>		
Depreciation of fixed assets	-	30,001,016
<i>Permanent differences:</i>		
Insurance	-	87,639,250
Interest from Bank	-	(165,999)
Taxable income before tax loss carry forward	-	1,426,275,969
Addition: Tax loss carry forward	-	-
Estimated taxable loss	-	1,426,275,970

Based on Government Regulation No. 46 year 2013, in 2017 the Company fall under 1% final tax. The calculation as follow:

	2018	2017
Revenue	4,738,081,065	-
Corporate tax payable - article 29 (rate 1%)	47,380,810	-

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

ix. TAXATION (Continued)

c. 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.

On January 16, 2017, the company have taken advantage of the tax amnesty program in accordance with constitution No. 11 Year 2016. Based on the Certificate of Tax Amnesty (SKPP) of the Directorate General of Taxation No. KET-1948/PP/WPJ.04/2017 dated January 23, 2017, an additional amount of tax amnesty assets is current asset amount Rp 50,000,000 with the amount are recognized in the income statement upon receipt Certificate of Tax Amnesty is Rp 1,000,000.

In accordance with the Constitution of Tax Amnesty, with the receipt of SKPP, all tax obligations until 2015 pardoned and all rights related taxation can not be utilized by the Company.

x. OTHER PAYABLES

	2018	2017
Interest payable	13,892,620,390	12,265,684,142
Outstanding expense	66,917,812	11,076,193
Jamsostek payable	748,138	834,132
Total	13,960,286,340	12,277,594,467

xi. UNSECURED LOANS

As of March 31, 2018 and 2017 the balance of this account is follows:

	2018	2017
PT Adani Global	20,394,700,000	24,907,900,000
PT Sumber Bara	190,000,000	215,000,000
Total	20,584,700,000	25,122,900,000

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
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

xii. 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, 2018 and 2017 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
Total	1020	100%	510,000,000

xiii. SALES

This account represents sales of drilling service for the period ended March 31, 2018 and 2017 amounting to Rp 4,738,081,065 and Rp 4,461,051,890.

xiv. COST OF SALES

	2018	2017
Salaries & allowance	766,340,046	761,035,326
Pension retirement	69,501,834	314,549,217
Depreciation	83,600,000	83,600,000
Field break travel	22,800,000	29,100,000
Electricity & water	16,170,000	18,946,667
Contribution to deat	40,062,158	35,988,231
Others	3,319,444	7,580,689
Total	1,001,793,482	1,250,800,130

xv. GENERAL AND ADMINISTRATIVE EXPENSE

	2018	2017
Medical expenses	44,247,855	43,554,500
Tax expenses	96,961,621	171,275,618
Legal and Profesional fee	61,000,000	23,000,000
Total	201,306,649	237,830,118

Supplementary Information
PT NIAGA ANTAR BANGSA - PARENT ONLY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018

(Expressed In Rupiah, unless otherwise stated)

xvi. OTHERS INCOME (EXPENSES)

	2018	2017
Other Income		
Foreign exchange gain/loss (unrealised)	-	9,200,000
Interest income	56,706	67,770
Sub total	56,706	9,267,770
Other Expenses		
Interest expense	(1,592,816,904)	-
Foreign exchange gain/loss (realised)	(34,119,344)	(1,621,694,610)
Bank charges	(1,052,000)	(1,193,100)
Other expense	-	(50,000,000)
Sub total	(1,627,988,248)	(1,672,887,710)
Other Income (Expense) - net	(1,627,931,542)	(1,663,619,940)

xvii. 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.

xviii. SUBSEQUENT EVENTS

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2018.