

INDEPENDENT AUDITOR'S REPORT
NO. OPN/NSK/MAR'16/110

The stockholders, the boards of commissioner and director
PT NUANSA SAKTI KENCANA

We have audited the accompanying financial statements of **PT NUANSA SAKTI KENCANA** ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in capital deficiency 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 financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

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Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT NUANSA SAKTI KENCANA** as of March 31, 2016, the financial performance, and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.



Justinus A. Sidharta, CPA
Public Accountant Licence no. AP.0944

May 2, 2016

PT NUANSA SAKTI KENCANA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2016
(Expressed in US\$)

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
ASSETS			
CURRENT ASSETS			
Cash on hand and in banks	2,4	18,993	368,550
Short-term investment	2,5	-	100,000
Other receivables			
Related party	2,6	16,704	-
Third parties	2	178,807	177,936
Due from related parties	2,7	208,304	622,003
Prepayments	2,8	-	209,532
Inventories	2,9	-	806,971
Prepaid taxes	2,10	618	29,402
Other assets			
Security deposits and bank guarantees		-	183,054
TOTAL CURRENT ASSETS		<u>423,427</u>	<u>2,497,448</u>
NON-CURRENT ASSETS			
Deferred tax assets	2,10	-	11,248
Fixed assets - net	2,11	-	18,488
TOTAL NON-CURRENT ASSETS		<u>-</u>	<u>29,736</u>
TOTAL ASSETS		<u><u>423,427</u></u>	<u><u>2,527,184</u></u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT NUANSA SAKTI KENCANA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2016
(Expressed in US\$)

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
LIABILITIES AND CAPITAL DEFICIENCY			
LIABILITIES			
CURRENT LIABILITIES			
Other payables			
Third parties	2,12	86	191,471
Due to related party	2,7	489,537	-
Taxes payable	2,10	83	4,706
Accrued expenses	13	2,241	1,244,162
TOTAL CURRENT LIABILITIES		<u>491,947</u>	<u>1,440,339</u>
NON-CURRENT LIABILITIES			
Security deposit from related party	2,14	-	1,000,000
Employee benefits liability	2,15	16,632	26,083
TOTAL NON-CURRENT LIABILITIES		<u>16,632</u>	<u>1,026,083</u>
TOTAL LIABILITIES		<u>508,579</u>	<u>2,466,422</u>
CAPITAL DEFICIENCY			
Equity attributable to owners of the entity			
Capital stock			
Authorized, subscribe and fully paid -			
5,100 shares at par value of			
Rp 1,000,000 per share	16	572,776	572,776
Deficit		(657,928)	(512,014)
TOTAL CAPITAL DEFICIENCY		<u>(85,152)</u>	<u>60,762</u>
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		<u><u>423,427</u></u>	<u><u>2,527,184</u></u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT NUANSA SAKTI KENCANA
STATEMENT OF COMPREHENSIVE INCOME
For the year ended March 31, 2016
(Expressed in US\$)

	<u>Notes</u>	<u>Year ended March 31, 2016</u>	<u>Year ended March 31, 2015</u>
SALES	2,17	4,201,504	9,842,437
COST OF GOOD SOLD	2,18	<u>(4,268,148)</u>	<u>(7,462,649)</u>
GROSS PROFIT (LOSS)		<u>(66,644)</u>	<u>2,379,788</u>
Gain on sale of fixed assets		10,611	-
Loss on foreign exchange differences		11,489	(17,402)
Loss on disposal of fixed assets		(3,278)	-
Taxes		(35,319)	(6,965)
Operating expenses	2,19	(513,345)	(1,100,693)
Other income (expenses) - net		<u>461,818</u>	<u>11,980</u>
INCOME (LOSS) FROM OPERATIONS		<u>(134,668)</u>	<u>1,266,708</u>
Finance income (cost)		<u>-</u>	<u>-</u>
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		<u>(134,668)</u>	<u>1,266,708</u>
INCOME TAX EXPENSE (BENEFIT)			
Current	2,10	-	-
Deferred	2,10	<u>(11,248)</u>	<u>2,650</u>
INCOME (LOSS) FOR THE YEAR		<u>(145,916)</u>	<u>1,269,358</u>
OTHER COMPREHENSIVE INCOME (LOSS)		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		<u><u>(145,916)</u></u>	<u><u>1,269,358</u></u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT NUANSA SAKTI KENCANASTATEMENT OF CHANGES IN EQUITY
(CAPITAL DEFICIENCY)For the year ended March 31, 2016
(Expressed in US\$)

	Equity attributable to owners of the entity		
	Capital stock - issued and fully paid	Deficit	Total equity (capital deficiency)
Balance as of April 1, 2014	<u>572,776</u>	<u>(1,781,372)</u>	<u>(1,208,596)</u>
Total comprehensive income for the year	<u>-</u>	<u>1,269,358</u>	<u>1,269,358</u>
Balance as of March 31, 2015	<u>572,776</u>	<u>(512,014)</u>	<u>60,762</u>
Total comprehensive loss for the year	<u>-</u>	<u>(145,916)</u>	<u>(145,916)</u>
Balance as of March 31, 2016	<u><u>572,776</u></u>	<u><u>(657,930)</u></u>	<u><u>(85,154)</u></u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.