PT INTELLECT DESIGN ARENA

FINANCIAL STATEMENTS
AS OF MARCH 31, 2018 AND
FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS OF MARCH 31, 2018
AND FOR THE YEAR THEN ENDED
PT INTELLECT DESIGN ARENA

I, the undersigned below:

Name	: Reid Christian Warren
Identity No.	: S2765112G
Home Address	: 55 Cairnhill Road, #04-05, Singapore 229666
Position	: Director

Declare that:

1. I am responsible for the preparation and presentation of the Company's financial statements **PT Intellect Design Arena** March 31, 2018;

2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. All information contained in the financial statements is complete and correct;

   b. The financial statements do not contain misleading material information or facts, and do not omit material information or facts;

4. I am responsible for Company's internal control system.

This statement has been made truthfully.

Jakarta, April 23, 2018
PT Intellect Design Arena

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Reid Christian Warren
Director

PT INTELLECT DESIGN ARENA
Indonesia

Crowe Horwath™

KOSASIH, NURDIYAMAN, MULYADI, TJAHJO & REKAN
Registered Public Accountants No. 854/KM.1/2015 (Head Office)
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INDEPENDENT AUDITORS' REPORT

Report No. KNMT&R-23.04.2018/05

The Shareholders, Commissioner and Director
PT INTELLECT DESIGN ARENA

We have audited the accompanying financial statements of PT Intellect Design Arena, which comprise the statement of financial position as of March 31, 2018, and the statement of profit or loss and other 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

The 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.

Auditors' 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 such 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 auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Intellect Design Arena as of March 31, 2018, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

KOSASIH, NURDIYAMAN, MULYADI, TJAHJO & REKAN

Dra. Juanita Budijani, CPA.
Public Accountant License No. AP. 0268

April 23, 2018

PT INTELLECT DESIGN ARENA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2018
(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
CURRENT ASSETS			
Cash in bank	2, 4	1,536,077,884	258,912,404
Unbilled receivable - third party	2, 5	17,388,000,000	-
Prepaid expense	2, 6	60,987,170	67,085,887
Advances	2	92,647,046	26,765,402
Total Current Assets		**19,077,712,100**	**352,763,693**
NON-CURRENT ASSETS			
Deferred tax assets	2, 9	277,935,163	121,695,027
Fixed assets - net accumulated depreciation of Rp 9,312,814 in 2018 and Rp 4,979,170 in 2017	2, 7	24,780,186	29,113,830
Security deposit	2	269,486,000	187,000,000
Total Non-current Assets		**572,201,349**	**337,808,857**
TOTAL ASSETS		**19,649,913,449**	**690,572,550**
LIABILITIES AND CAPITAL DEFICIENCY			
CURRENT LIABILITIES			
Other payables - related parties	2, 15	20,474,283,529	4,313,575,966
Taxes payable	2, 9	125,002,436	40,193,892
Accrued expenses	2, 8	924,108,259	549,426,164
Total Current Liabilities		**21,523,394,224**	**4,903,196,022**
NON-CURRENT LIABILITY			
Employee benefits liability	2, 14	276,231,000	128,092,000
Total Liabilities		**21,799,625,224**	**5,031,288,022**
CAPITAL DEFICIENCY			
Share capital - Authorized 10,000 shares with Rp 1,209,200 par value (equivalent to USD 100) per share; Issued and fully paid 2,500 shares	10	3,023,000,000	3,023,000,000
Foreign exchange difference on paid-in capital	10	267,844,000	267,844,000
Deficit		(5,440,555,775)	(7,631,559,472)
Capital Deficiency - net		**(2,149,711,775)**	**(4,340,715,472)**
TOTAL LIABILITIES NET OF CAPITAL DEFICIENCY		**19,649,913,449**	**690,572,550**

The accompanying notes form an integral part of these financial statements.

PT INTELLECT DESIGN ARENA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For The Year Ended
March 31, 2018
(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
REVENUE	2,11	**18,522,849,800**	**-**
COST OF REVENUE	2,12	**13,192,964,820**	**-**
GROSS INCOME		**5,329,884,980**	**-**
Operating expenses	2, 13	3,231,276,457	3,336,442,048
OPERATING INCOME (LOSS)		**2,098,608,523**	**(3,336,442,048)**
OTHER INCOME (EXPENSES)	2		
Bank charges		(6,916,624)	(4,533,076)
Loss on foreign exchange - net		(17,984,342)	(174,847,378)
Tax expense		(22,696,996)	-
Total Other Expenses		**(47,597,962)**	**(179,380,454)**
INCOME (LOSS) BEFORE INCOME TAX		**2,051,010,561**	**(3,515,822,502)**
INCOME TAX BENEFIT	2, 9		
Current		-	-
Deferred		152,178,386	3,482,932
NET INCOME (LOSS)		**2,203,188,947**	**(3,512,339,570)**
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent period:			
Remeasurement of employee benefits liability	2, 14	(16,247,000)	1,398,794,000
Related income tax	2, 9	4,061,750	(349,698,500)
Other Comprehensive Income (Loss) - net		(12,185,250)	1,049,095,500
TOTAL COMPREHENSIVE INCOME (LOSS)		**2,191,003,697**	**(2,463,244,070)**

The accompanying notes form an integral part of these financial statements.

PT INTELLECT DESIGN ARENA
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
For The Year Ended
March 31, 2018
(Expressed in Rupiah, unless otherwise stated)

	Note	Issued and Fully Paid Share Capital	Foreign Exchange Difference on Paid-in Capital	Deficit	Capital Deficiency - net
Balance as of April 1, 2016	10	**3,023,000,000**	**267,844,000**	**(5,168,315,402)**	**(1,877,471,402)**
Net loss		-	-	(3,512,339,570)	(3,512,339,570)
Other comprehensive income		-	-	1,049,095,500	1,049,095,500
Balance as of March 31, 2017	10	**3,023,000,000**	**267,844,000**	**(7,631,559,472)**	**(4,340,715,472)**
Net Income		-	-	2,203,188,947	2,203,188,947
Other comprehensive loss		-	-	(12,185,250)	(12,185,250)
Balance as of March 31, 2018	10	**3,023,000,000**	**267,844,000**	**(5,440,555,775)**	**(2,149,711,775)**

The accompanying notes form an integral part of these financial statements.

PT INTELLECT DESIGN ARENA
STATEMENT OF CASH FLOWS
For The Year Ended
March 31, 2018
(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		2,051,010,561	(3,515,822,502)
Adjustments to reconcile income (loss) before income tax to net cash provided by operating activities:			
Employee benefits expense	14	131,892,000	214,623,000
Depreciation	7	4,333,644	4,333,644
Changes in operating assets and liabilities:			
Unbilled receivable - third party		(17,388,000,000)	-
Prepaid expense		6,098,717	(18,405,388)
Advances		(65,881,644)	(26,765,402)
Security deposit		(82,486,000)	(111,000,000)
Other payable - related parties		16,160,707,563	3,781,222,000
Accrued expenses		374,682,095	(296,488,179)
Taxes payable		84,808,544	3,242,444
Net Cash Provided by Operating Activities		**1,277,165,480**	**34,939,617**
CASH FLOWS FROM INVESTING ACTIVITY			
Acquisition of fixed assets	7	-	(12,797,000)
Net Cash Used in Investing Activity		**-**	**(12,797,000)**
NET INCREASE IN CASH IN BANK		**1,277,165,480**	**22,142,617**
CASH IN BANK AT THE BEGINNING OF THE YEAR	4	**258,912,404**	**236,769,787**
CASH IN BANK AT THE END OF THE YEAR	4	**1,536,077,884**	**258,912,404**

The accompanying notes form an integral part of these financial statements.

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

The Company's establishment

PT Intellect Design Arena (the "Company") was established in Indonesia on December 16, 2014 based on Notarial Deed No. 13 of Mar'atus Sholihah, S.H. The Notarial Deed was recorded by Investment Coordinating Board (BKPM) with No. 3196/1/IP/PMA/2014 dated November 10, 2014 and was approved by the Ministry of Law and Human Rights in its Decision Letter No. AHU-40041.40.10.2014 dated December 17, 2014 and its publication on the State Gazette of the Republic of Indonesia is still in process.

In accordance with Article 3 of the Company's Articles of Association, the Company's objectives and scope of activities are creation, implementation, and maintenance of software and consulting services related to the analysis, design and programming of computer systems.

The Company commenced its operations in February 2015. The Company is domiciled in Menara BCA, 50 Floor, Jl. MH Thamrin No.1, Jakarta Pusat, 10230, Indonesia.

Commissioner, Director and Employees

As of March 31, 2018 and 2017, the Company's Commissioner and Director are as follows:

Commissioner	: Govind Singhal
Director	: Reid Christian Warren

As of March 31, 2018 and 2017, the Company had 4 (four) employees (unaudited).

Completion of the financial statements

The accompanying financial statements were completed and authorized for issue by the Company's management on April 23, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

The financial statements of PT Intellect Design Arena have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statement of Financial Accounting Standards ("PSAK") and Interpretations of Statement of Financial Accounting Standard ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation of the financial statements (continued)

Effective March 1, 2017, the Company adopted Amendments to PSAK No. 1 (2015), “Presentation of Financial Statements: Disclosure Initiatives”.

The amendment, among others, provides clarification regarding the application of materiality requirements, the flexibility of the systematical order of the notes for financial statements, and identification of significant accounting policies.

The adoption of Amendments to PSAK No. 1 (2015) has no significant impact on the financial statements.

The financial statements have been prepared in accordance with PSAK No. 1 (2015), “Presentation of Financial Statements”.

The accounting policies adopted in the preparation of the financial statements are consistent with those made in the preparation of the Company’s financial statements for the year ended March 31, 2017, except for the adoption of several amended SAKs. As disclosed further in the relevant succeeding Notes, several amended and published accounting standards were adopted effective April 1, 2017.

The financial statements, except for the statement of cash flows, have been prepared on the accrual basis using the historical cost basis of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows presents cash receipts and payments classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The presentation currency used in the preparation of the financial statements is the Indonesian Rupiah, which is the Company’s functional currency.

The preparation of financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Financial instruments

The Company applied PSAK No. 50 (Revised 2014) “Financial Instruments: Presentation”, PSAK No. 55 (Revised 2014) “Financial Instruments: Recognition and Measurement” and PSAK No. 60 (2014) “Financial Instruments: Disclosures".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Classification

(i) Financial assets

Financial assets within the scope of PSAK No. 55 (Revised 2014) are classified as (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity investments, or (iv) available for sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at each financial year end.

The Company's financial assets consist of cash in bank, unbilled receivable and security deposit.

(ii) Financial liabilities

Financial liabilities within the scope of PSAK No. 55 (Revised 2014) are classified as (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities measured at amortized cost, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities consist of other payable and accrued expenses classified as financial liabilities measured at amortized cost.

Recognition and measurement

(i) Financial assets

Financial assets are recognized initially at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method less impairment, except for those assets in which the interest calculation is not material. Gains or losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process.

(ii) Financial liabilities

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

Financial liabilities measured at amortized cost are measured, subsequent to initial recognition, at amortized cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognized within "Finance Costs" in profit or loss. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

When the fair value of the financial instruments not traded in an active market cannot be reliably determined, such financial assets are recognized and measured at their carrying amounts.

Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit or loss.

When the asset becomes uncollectible, the carrying amount of the financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

Subsequent recoveries of previously written off receivables, if in the current period, are credited to the allowance accounts, but if after the reporting period, are credited to other operating income.

Derecognition

(i) Financial assets

The Company derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the financial asset have expired; or the Company has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the financial asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Financial liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by other liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the profit or loss.

Prepaid expenses

Prepaid expenses are amortized and charged to operations over the periods benefited using the straight-line method.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment loss. Such cost includes the cost of replacing part of the fixed assets when the cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Computer	4
Office equipment	5

The carrying value of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the assets is charged to profit or loss in the year the assets is derecognized.

The estimated useful lives and depreciation method are reviewed and adjusted, at year end, if necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

Impairment losses of continuing operations, if any, are recognized as profit or loss under expense categories that are consistent with the functions of the impaired assets.

An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount of a non-financial asset. An impairment loss is only reversed to the extent that the non-financial asset's carrying amount does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior year. Reversal of an impairment loss is recognized in the profit or loss.

Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

<u>Current tax</u>

Current tax expense is calculated using tax rates that have been enacted or substantively enacted at end of the reporting period, and is provided based on the estimated taxable income for the year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Interest and penalties for the underpayment or overpayment of income tax, if any, are to be presented as part of "Income Tax Benefit (Expense)" in the statement of profit or loss and other comprehensive income.

The amounts of additional tax principal and penalty imposed through a tax assessment letter ("SKP") are recognized as income or expense in the current year in the statement of profit or loss and other comprehensive income, unless further settlement is submitted. The amounts of tax principal and penalty imposed through an SKP are deferred as long as they meet the asset recognition criteria.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences with certain exceptions. Deferred tax assets are recognized for deductible temporary differences and tax losses carry-forward to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and tax losses carry-forward can be utilized.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the end of reporting period. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are credited or charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, or the deferred tax assets and the deferred tax liabilities relate to the same taxable entity, or the Company intends to settle its current assets and liabilities on a net basis.

Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes (“VAT”). The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue and expense are recognized:

Revenue are recognized when the services are rendered to customer.

Expenses are recognized when incurred (accrual basis).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transactions and balances

The accounting records of the Company are maintained in Rupiah. Transactions denominated in foreign currencies are translated into Rupiah at the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into Rupiah using the middle rates of exchange quoted by Bank Indonesia at such dates. Exchange gains and losses arising on foreign currency transactions and on the translation of foreign currency monetary assets and liabilities into Rupiah are recognized in the profit or loss.

The exchange rates used for translation from USD into Rupiah as of March 31, 2018 and 2017 is Rp 13,756 and Rp 13,321, respectively.

Transaction with related parties

A related party is a person or entity that is related to the Company if:

a. A person or a close member of that person's family is related to the Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or,
   (iii) is a member of the key management personnel of the Company or of a parent of the Company.

b. An entity is related to the Company if any of the following conditions applies:
   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   (iii) both entities are joint ventures of the same third party.
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) the entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company.
   (vi) the entity is controlled or jointly controlled by a person identified in a).
   (vii) a person identified in a) i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
   (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

The transactions are made based on terms agreed by the parties. Such terms may not be the same as those of the transactions between unrelated parties. All significant transactions and balances with related parties are disclosed in Note 15.

Employee Benefits

The Company recognized unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the “Labor Law”). Pension costs under the Company’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, return on plan assets and annual rate of increase in compensation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee Benefits (continued)

All remeasurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the statement of financial position to reflect the full value of the plan deficit and surplus. Remeasurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the related restructuring or termination costs are recognized.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Service cost comprise current service costs and past service cost, gains and losses on curtailments and non-routine settlements, if any. Net interest expense or income, and service costs are recognized in profit or loss.

2016 Annual Improvements

The Company adopted the following 2016 annual improvements effective April 1, 2017:

- PSAK 24 (2016 Improvement) - “Employee Benefits”. The improvement clarifies that the high-quality corporate bond market is valued based on the denomination of the bond’s currency and not based on the country where the bond existed.

- PSAK 60 (2016 Improvement) - “Financial Instruments - Disclosure”. The improvement clarifies that an entity should evaluate the nature of the service contract reward as mentioned in paragraph PP30 and 42C to determine whether the entity has continuing involvement with the financial asset and whether the required disclosure related to continuing involvement has been fulfilled.

The adoption of the 2016 annual improvements has no significant impact on the financial statements.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company’s financial statements requires management to make judgment, estimates and assumptions that affect the reported amounts herein, and the related disclosures at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Classification of financial instruments

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.

Determination of functional currency

The functional currency of the Company is the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the expenses. Based on the Company's management assessment, the Company's functional currency is in Rupiah.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives.

Management estimates the useful lives of these fixed assets to be within 4 to 5 years. These are common life expectancies applied in the industry where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Notes 2 and 7.

Income tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are disclosed in Note 9.

(Expressed in Rupiah, unless otherwise stated)

3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments (continued)

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of the future taxable profits together with future tax planning strategies. Further details are disclosed in Note 9.

Employee Benefits

The determination of the Company's obligations and cost for employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Company's assumptions are recognized immediately in the profit or loss as and when they occurred. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual results or significant changes in the Company's assumptions may materially affect its estimated liability for employee benefits and net employee benefits expense. The Company's estimated liability for employee benefits amounting to Rp 276,231,000 and Rp 128,092,000 as of March 31, 2018 and 2017, respectively (Note 14).

4. CASH IN BANK

The details of this account are as follows:

	2018	2017
The Hongkong and Shanghai Banking Corporation (HSBC)		
Rupiah	1,528,445,367	229,167,943
United States Dollar (USD 554.85 in 2018 and USD 2,232.90 in 2017)	7,632,517	29,744,461
Total	**1,536,077,884**	**258,912,404**

5. UNBILLED RECEIVABLE - THIRD PARTY

This account consists of unbilled receivable from completed service provided under software license and implementation agreements (Note 16b) to PT Metrocom Global Solutions, however, invoice has not been made at the end of the year.

(Expressed in Rupiah, unless otherwise stated)

6. PREPAID EXPENSE

This account consists of prepayment for office rental amounting to Rp 60,987,170 and Rp 67,085,887 as of March 31, 2018 and 2017, respectively.

7. FIXED ASSETS

Fixed assets consists of:

March 31, 2018	Beginning Balance	Additions	Deductions	Ending Balance
Cost				
Computer	8,499,000	-	-	8,499,000
Office equipment	25,594,000	-	-	25,594,000
Total	**34,093,000**	**-**	**-**	**34,093,000**
Accumulated Depreciation				
Computer	4,888,014	4,249,500	-	9,137,514
Office equipment	91,156	84,144	-	175,300
Total	**4,979,170**	**4,333,644**	**-**	**9,312,814**
Net Book Value	**29,113,830**			**24,780,186**

March 31, 2017	Beginning Balance	Additions	Deductions	Ending Balance
Cost				
Computer	8,499,000	-	-	8,499,000
Office equipment	12,797,000	12,797,000	-	25,594,000
Total	**21,296,000**	**12,797,000**	**-**	**34,093,000**
Accumulated Depreciation				
Computer	638,514	4,249,500	-	4,888,014
Office equipment	7,012	84,144	-	91,156
Total	**645,526**	**4,333,644**	**-**	**4,979,170**
Net Book Value	**20,650,474**			**29,113,830**

Depreciation charged to operating expenses amounted to Rp 4,333,644 in 2018 and 2017, respectively (Note 13).

As of March 31, 2018 and 2017, fixed assets are not yet insured by the Company against fire and other risks.

Based on review of the Company's management, there are no changes in conditions that indicate any impairment value of fixed assets as of March 31, 2018 and 2017.

(Expressed in Rupiah, unless otherwise stated)

8. ACCRUED EXPENSES

The details of this account are as follows:

	2018	2017
Salaries and remuneration	284,566,955	276,822,838
Incentive	553,102,772	83,034,990
Professional fee	80,000,000	117,000,000
Travel and accommodation	6,438,532	15,000,000
Others	-	57,568,336
Total	**924,108,259**	**549,426,164**

9. TAXATION

(a) Taxes payable consists of the following:

	2018	2017
Income taxes:		
Article 4 (2)	6,130,766	12,645,691
Article 21	18,756,630	26,765,401
Article 23	114,500	26,765,401
VAT Out	100,000,540	782,800
Total	**125,002,436**	**40,193,892**

(b) The reconciliation between income (loss) before income tax as shown in the statement of profit or loss and other comprehensive income and estimated fiscal loss for the years ended March 31, 2018 and 2017 as follows:

	2018	2017
Income (loss) before income tax per statement of profit or loss and other comprehensive income	2,051,010,561	(3,515,822,502)
Temporary differences:		
Employee benefits	131,892,000	214,623,000
Salaries and remuneration	7,744,117	97,160,981
Incentive	470,067,782	(297,136,859
Depreciation	(990,356)	(715,392)
Sub total	608,713,543	13,931,730

(Expressed in Rupiah, unless otherwise stated)

9. TAXATION (continued)

(c) The reconciliation between income (loss) before income tax as shown in the statement of profit or loss and other comprehensive income and estimated fiscal loss for the years ended March 31, 2018 and 2017 as follows:

	2018	**2017**
Permanent differences:		
Health insurance	42,002,935	25,552,582
Tax expense	22,696,996	-
Staff welfare	10,000,911	24,304,814
Office maintenance	228,000	-
Business promotion	-	54,853,009
Sub total	74,928,842	104,710,405
Estimated taxable income (fiscal loss) of the Company	**2,734,652,946**	**(3,397,180,367)**
Fiscal losses carry forward:		
Year 2017	(3,397,180,368)	-
Year 2016	(3,111,536,260)	(3,111,536,260)
Year 2015	(456,207,331)	(456,207,331)
Accumulated fiscal losses	**(4,230,271,013)**	**(6,964,923,958)**

(d) The details of deferred tax asset and deferred tax benefit (expense) are as follows:

	2017	**Credited (charged) to profit or loss**	**Charged to other comprehensive income**	**2018**
Deferred tax assets				
Accrued salaries and remuneration and incentive	89,964,457	119,452,975	-	209,417,432
Employee benefits	32,023,000	32,973,000	4,061,750	69,057,750
Fixed assets	(292,430)	(247,589)	-	(540,019)
Total	**121,695,027**	**152,178,386**	**4,061,750**	**277,935,163**

	2016	**Credited (charged) to profit or loss**	**Charged to other comprehensive income**	**2017**
Deferred tax assets				
Accrued salaries and remuneration and incentive	139,958,427	(49,993,970)	-	89,964,457
Employee benefits	328,065,750	53,655,750	(349,698,500)	32,023,000
Fixed assets	(113,582)	(178,848)	-	(292,430)
Total	**467,910,595**	**3,482,932**	**(349,698,500)**	**121,695,027**

(Expressed in Rupiah, unless otherwise stated)

9. TAXATION (continued)

The management is of the opinion that future benefit from deferred tax assets arising from fiscal loss amounting to Rp 1,057,567,753 and Rp 1,741,230,990 as of March 31, 2018 and 2017, respectively, cannot be determined, therefore, the Company did not recognize the deferred tax asset.

10. SHARE CAPITAL

The Company's shareholders and their ownership as of March 31, 2018 and 2017 are as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Intellect Design Arena, Pte, Ltd, Singapore	2,490	99.60%	3,010,908,000
Govind Singhal	10	0.40%	12,092,000
Total	**2,500**	**100.00%**	**3,023,000,000**

Foreign exchange difference on paid-in capital represents the resulting difference from foreign exchange rate used upon receipt of the paid-in capital and the exchange rate stated in the Company's Articles of Association amounting to Rp 267,844,000 as of March 31, 2018 and 2017.

11. REVENUE

The account consists of:

	2018
Software license	17,388,000,000
Implementation	1,134,849,800
Total	**18,522,849,800**

12. COST OF REVENUE

The account consists of:

	2018
Software license	12,171,600,000
Implementation	1,021,364,820
Total	**13,192,964,820**

License fee equal to 70% of the transaction value as written on the licensing agreement between Intellect Design Arena Ltd, UK. as a licensor and the Company as a licensee (Note 16a).

(Expressed in Rupiah, unless otherwise stated)

13. OPERATING EXPENSES

This account consists of:

	2018	2017
Salaries and remuneration	1,339,276,134	1,595,288,698
Rent	671,550,000	669,618,000
Sales incentive	470,067,782	-
Professional fee	217,556,358	241,692,441
Office maintenance	144,750,442	34,813,542
Employee benefits (Note 14)	131,892,000	214,623,000
Social Security Cost	76,122,894	87,521,326
Business promotion	47,522,919	54,853,009
Insurance - Staff	42,002,935	25,552,582
Travel and accommodation	25,982,142	108,412,787
Communication	21,573,130	31,296,281
Staff Welfare Expense	10,000,911	24,304,814
Depreciation (Note 7)	4,333,644	4,333,644
Recruitment	-	206,496,777
Others	28,645,166	37,635,147
Total operating expenses	**3,231,276,457**	**3,336,442,048**

The Company leases office space from PT Regus Business Centre Indonesia which is located on the 50th Floor of Menara BCA with rental period from September 1, 2017 to August 31, 2018.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
No later than 1 year	**277,500,000**	**277,500,000**

14. EMPLOYEE BENEFITS

The Company provide long-term employee benefits to its employees in accordance with Labor Law No. 13/2003 (Law No. 13/2003). The benefits are unfunded. The following tables summarize the components of net benefits expense recognized in the statement of profit or loss and other comprehensive income and the amounts recognized in the statement of financial position for the employee benefits liability as calculated by an independent actuary, PT Milliman Indonesia, in its report dated April 17, 2018 for the year ended March 31, 2018 and March 3, 2017 for the year ended March 31, 2017.

(Expressed in Rupiah, unless otherwise stated)

14. EMPLOYEE BENEFITS (continued)

The actuarial calculation used the "Projected Unit Credit" method with the following assumptions:

	2018	2017
Discount rate	7.5%	8.5%
Future salary increase	7.0%	7.5%
Mortality rate table	TMI III 2011	TMI III 2011
Retirement age	55 years old	55 years old
Method	Projected Unit Credit	Projected Unit Credit

a. The details of employee benefits expense recognized in profit or loss is as follows:

	2018	2017
Current service cost	121,004,000	103,081,000
Interest cost	10,888,000	111,542,000
Total	**131,892,000**	**214,623,000**

b. The details of employee benefits liability:

	2018	2017
Present value of benefit obligation	**276,231,000**	**128,092,000**

c. The movement of present value of benefit obligation are as follows:

	2018	2017
Beginning	128,092,000	1,312,263,000
Current service cost	121,004,000	103,081,000
Interest cost	10,888,000	111,542,000
Remeasurements:		
Effects of changes in financial assumption	16,296,000	(10,305,000)
Effects of experience adjustments	(49,000)	(1,388,489,000)
Total	**276,231,000**	**128,092,000**

d. The maturity of defined benefits obligation is as follows:

	2018	2017
Within the next 12 months	1,245,000	640,000
Between 2 and 5 years	16,974,000	11,312,000
Between 5 and 10 years	80,054,000	62,524,000
More than 10 years	6,683,922,000	6,991,849,000

Weighted average duration of the defined benefits obligation at the end of reporting period is 14.3 years in 2018 and 15.6 years in 2017.

(Expressed in Rupiah, unless otherwise stated)

14. EMPLOYEE BENEFITS (continued)

e. As of March 31, 2018, if the discount rate is higher by 1 percent with all other variables held constant, the present value of defined benefits obligation would have been Rp 34,009,000 lower, while if the discount rate is lower by 1 percent, the present value of defined benefits obligation would have been Rp 39,781,000 higher.

The Company's management has reviewed the assumptions used and agreed that these assumptions are adequate. Management believes that the liability for employee benefits is sufficient to cover the Company's employee benefits obligation.

15. BALANCES, NATURE OF TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES

The Company's holding company is Intellect Design Arena, Pte, Ltd (domiciled in Singapore), which owns 99.60% of the Company's shares. The ultimate parent and controlling party of the Company is Intellect Design Arena, Ltd (domiciled in India).

(a) Transaction with related parties and holding company

In the normal course of business, the Company engaged in transactions with related parties and holding company. The Company's transactions with related parties and holding company consist of:

	2018	**2017**
Other payables		
Licensing payable to		
Intellect Design Arena Limited, UK	13,192,964,820	-
Advances from		
Intellect Design Arena, Pte., Ltd., Singapore	7,208,530,802	4,313,575,966
Expense paid on behalf by		
Intellect Design Arena Ltd, India	72,787,907	-
Total	**20,474,283,529**	**4,313,575,966**
Percentage to total liabilities	**94.01%**	**85.74%**

(b) Nature of relationship and transaction

The following table is a summary of related party who have transaction with the Company, and include the nature of the relationship and type of transaction:

Related party	Nature of Relationship	Type of Transaction
Intellect Design Arena, Pte, Ltd, Singapore	Shareholder	Advances
Intellect Design Arena Ltd, UK	Under common control	Licensing agreement
Intellect Design Arena Ltd, India	Ultimate parent	Expense paid on behalf of the Company

15. BALANCES, NATURE OF TRANSACTIONS AND RELATIONSHIPS WITH RELATED PARTIES (continued)

(c) Key management compensation

The compensation paid or payable to key management for employee services amounted to Rp 695,173,567 and 1,672,150,000 as of March 31, 2018 and 2017, respectively.

16. SIGNIFICANT AGREEMENTS

(a) On October 1, 2017, the Company has entered into intercompany agreement with Intellect Design Arena Limited UK ("IDA UK"), in which the Company agreed to pay IDA UK licenses fee equal to 70% of the transaction value generated from the sale or license of the Licensed Product by IDA UK and implementation fee equal to 90% of the billing value generated from the end users for the implementation support. Period of this agreement is 3 years effective from effective date and shall be renewed for additional period 3 years at the option of the Company.

(b) In March 2018, the Company has entered into framework license agreement with Bank Indonesia ("BI") , in which the Company agreed to render banking software and related services for BI's financial services sector, production, DRC (Disaster Recovery Centers), training, cold backup and testing. Total contract cost amounted to Rp 58,000,000,000 through PT Metrocom Global Solutions ("Metrocom") as stated in Letter of Appointment of Implementation Core Banking System between BI and Metrocom dated November 6, 2017 No. 19/133/DPS/Srt/B. In the event, the Company is required to step in place of Metrocom under the terms of the letter, the Company shall invoice the BI directly for license fees, customization and implementation of licensed software and maintenance services as payable at the time of such step in and thereafter for the term of the agreement.

17. FINANCIAL RISK MANAGEMENT

In their daily business activities, the Company is exposed to risks. The main risks facing by the Company arising from their financial instruments are credit risk, market risk (foreign exchange rate risk) and liquidity risk. The core function of the Company's risk management is to identify all key risks for the Company, measure these risks and manage the risk positions in accordance with its policies and Company's risk appetite. The Company regularly reviews their risk management policies and systems to reflect changes in markets, products and best market practice.

(a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's counter party fail to fulfill their contractual obligations to the Company. The Company is exposed to credit risk from cash in bank, unbilled receivables and security deposit. The Company transacts only with highly reputable bank.

(Expressed in Rupiah, unless otherwise stated)

17. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk (continued)

The following table provides information regarding the maximum credit risk exposure of the Company as of March 31, 2018 and 2017:

	2018	2017
Cash in bank	1,536,077,884	258,912,404
Unbilled receivables	17,388,000,000	-
Security deposit	269,486,000	187,000,000
	19,193,563,884	**445,912,404**

The above financial assets are neither past due nor impaired.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to market risk, in particular foreign currency exchange risk. Foreign currency exchange risk is the risk that arises from the changes of exchange rate of Rupiah as functional currency against foreign currencies.

The Company's exposure to exchange rate fluctuations arises mainly from cash in bank. The management believes that the effect of a reasonable possible shift in the exchange rate of USD against Rupiah is immaterial.

The Company's significant monetary asset denominated in foreign currency as of March 31, 2018 is presented in Note 19.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due. The management evaluates and monitors cash inflows and cash outflows to ensure the availability of fund to settle the due obligation.

The financial liabilities consist of accrued expenses and other payable due within one year after the reporting period.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support their businesses and maximize shareholder value.

The Company manages their capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the periods presented. The Company's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

(Expressed in Rupiah, unless otherwise stated)

17. FINANCIAL RISK MANAGEMENT (continued)

Capital management (continued)

The table below summarizes the total capital considered by the Company as of March 31, 2018 and 2017:

	2018	2017
Share capital	**3,023,000,000**	**3,023,000,000**

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are the methods and assumptions to estimate the fair value of each class of the Company's financial instruments:

The fair values of cash in bank, unbilled receivables, other payable and accrued expenses approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of security deposits is carried at historical cost because the fair values cannot be reliably measured.

The table below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the financial statements:

	2018		2017	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Loans and receivable				
Cash in bank	1,536,077,884	1,536,077,884	258,912,404	258,912,404
Unbilled receivables	17,388,000,000	17,388,000,000		
Security deposits	269,486,000	269,486,000	187,000,000	187,000,000
Total financial assets	**19,193,563,884**	**19,193,563,884**	**445,912,404**	**445,912,404**
Financial liabilities				
Financial liabilities measured at amortized cost				
Other payable - related parties	20,474,283,529	20,474,283,529	4,313,575,966	4,313,575,966
Accrued expenses	924,108,259	924,108,259	549,426,164	549,426,164
Total financial liabilities	**21,398,391,788**	**21,398,391,788**	**4,863,002,130**	**4,863,002,130**

(Expressed in Rupiah, unless otherwise stated)

19. MONETARY ASSET IN FOREIGN CURRENCY

As of March 31, 2018, monetary asset in foreign currency is as follows:

	2018		2017	
	Original Currency	**Rp Equivalent**	**Original Currency**	**Rp Equivalent**
ASSET				
Cash on hand and in banks	554.85	7,632,517	2,232.90	29,744,461
Total Asset		**7,632,517**		**29,744,461**

The exchange rate as of April 23, 2018 is Rp 13,894 to 1 USD. This was calculated based on the average buying and selling rates of Bank notes and/or transaction exchange rates last quoted by Bank Indonesia on that date. If the monetary asset in foreign currency as of March 31, 2018 was translated using the middle rate as of April 23, 2018, asset would increase by approximately Rp 76,569.

20. GOING CONCERN

As of March 31, 2018, the Company has deficit and net capital deficiency amounting to Rp 5,440,555,775 and Rp 2,149,711,775, respectively. In 2018, the Company secured a license agreement amounting to Rp 58,000,000,000 (Note 16). Management believes that the income to be generated from the license agreement is sufficient to cover the deficit and capital deficiency in succeeding years.

21. NEW ACCOUNTING STANDARDS

New standards, amendments and interpretations issued but not yet effective for the financial year beginning January 1, 2017 that may have certain impact on the financial statements are as follows:

Effective for the financial year beginning on or after January 1, 2018:

- Amendments to PSAK 2 (2016) - “Statements of Cash Flows: Disclosure Initiatives”.
- Amendments to PSAK 46 (2016) - “Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses”.

Effective for the financial year beginning on or after January 1, 2019:

- ISAK 33 - “Foreign Currency Transactions and Advance Consideration”;

Effective for the financial year beginning on or after January 1, 2020:

- PSAK 71 - “Financial Instruments”;
- PSAK 72 - “Revenue from Contracts with Customers”;
- PSAK 73 - “Leases”;
- Amendments to PSAK 71 “Financial Instruments Prepayment Features with Negative Compensation”.

The Company is still assessing the impact of these accounting standards and interpretations on the Company’s financial statements.