

PT MINDA TRADING

**Financial Statements
For the Years Ended
March 31, 2019 and 2018**

PT MINDA TRADING

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For the Years Ended
March 31, 2019 and 2018**

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**BOARD OF DIRECTORS' STATEMENT REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
PT MINDA TRADING**

We, the undersigned:

Name : BHASKAR BHARTI GOSAI
Office Address : Jl. Permata Raya Lot CA/7 Kawasan Industri KIIC, Sukaluyu
Teluk Jambe, Karawang 41361, West Java
Residential Address : Taman Kemayoran Condominium, Tower Aster 07/07
Jakarta Pusat
Telephone : (0267) 419701, 419702
Title : Director

declare that:

1. We are responsible for the preparation and presentation of PT Minda Trading financial statements;
2. PT Minda Trading financial statements have been prepared and presented in accordance with Indonesia financial accounting standard;
3. a. All information in the PT Minda Trading financial statements has been disclosed in a complete and truthful manner;
b. PT Minda Trading financial statements do not contain any incorrect information or material fact, nor do they omit information or material fact;
4. We are responsible for PT Minda Trading internal control system.

Thus this statement is made truthfully.

Karawang, April 27, 2019

For and behalf of the Board of Directors



BHASKAR BHARTI GOSAI
Director

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

RSM Indonesia
Plaza ASIA, Level 10
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Number : 00608/2.1030/AU.1/05/0181-6/1/V/2019

Independent Auditors' Report

The Shareholders, Commissioner and Director
PT Minda Trading

We have audited the accompanying financial statements of PT Minda Trading, which comprise the statement of financial position as of March 31, 2019, 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.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 the 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 our 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, we 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 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.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Minda Trading as of March 31, 2019, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
**Benny Andria**

Public Accountant License Number: AP.0181

Jakarta, May 2, 2019

PT MINDA TRADING
STATEMENTS OF FINANCIAL POSITION

As of March 31, 2019 and 2018

(In Full of Rupiah)

	Notes	March 31, 2019 Rp	March 31, 2018 Rp
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	9,100,840,209	7,828,681,008
Trade Receivables from Third Parties	4	7,309,908,415	4,997,835,551
Inventories	5	4,328,785,272	2,669,499,648
Prepaid Taxes	6.a	1,574,467,452	1,789,093,881
Other Receivables	7	35,000,026	40,649,448
Total Current Assets		22,349,001,374	17,325,759,536
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	472,591,849	544,142,261
Deferred Tax Assets	6.d	35,745,389	15,286,398
Other Assets	11	319,103,894	--
Total Non-Current Assets		827,441,132	559,428,659
TOTAL ASSETS		23,176,442,506	17,885,188,195
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade Payables			
Related Parties	9	8,751,716,166	5,143,282,353
Third Parties	9	1,150,022,106	2,726,393,367
Taxes Payable	6.b	221,106,560	350,005,602
Accrued Expenses	10	1,583,995,363	1,578,118,795
Total Current Liabilities		11,706,840,195	9,797,800,117
NON-CURRENT LIABILITY			
Post-Employment Benefit Liabilities	12	142,981,556	61,145,592
Total Liabilities		11,849,821,751	9,858,945,709
EQUITY			
Share Capital - par value Rp 90,700 per Share			
Authorized - 20,000 Shares			
Issued and Paid Up - 10,000 Shares	13	907,000,000	907,000,000
Foreign Exchange Rate Difference			
from Paid-up Capital	13	(5,800,000)	(5,800,000)
Retained Earnings	14	10,425,420,755	7,125,042,486
Total Equity		11,326,620,755	8,026,242,486
TOTAL LIABILITIES AND EQUITY		23,176,442,506	17,885,188,195

The accompanying notes form an integral part of these financial statements

PT MINDA TRADING
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

	Notes	2019 Rp	2018 Rp
Net Sales	15	59,540,630,684	37,310,300,274
Cost of Goods Sold	16	(52,781,230,963)	(31,972,351,596)
GROSS PROFIT		6,759,399,721	5,337,948,678
OPERATING EXPENSES			
General and Administrative Expenses	17	(1,998,596,631)	(1,844,545,335)
Selling Expenses	18	(161,206,296)	(260,538,150)
Total Operating Expenses		(2,159,802,927)	(2,105,083,485)
OPERATING PROFIT		4,599,596,794	3,232,865,193
OTHER INCOME (EXPENSES) - NET	19	162,181,367	(57,562,573)
PROFIT BEFORE TAX		4,761,778,161	3,175,302,620
TAX BENEFIT (EXPENSES)			
Current Tax	6.c	(1,453,027,147)	(961,229,969)
Deferred Tax	6.d	13,251,057	4,567,234
Total Income Tax		(1,439,776,090)	(956,662,735)
PROFIT OF THE YEAR		3,322,002,071	2,218,639,885
OTHER COMPREHENSIVE INCOME			
Items Not to be Reclassified to Profit or Loss			
Remeasurement of Defined Benefit Pension Plan	12	(28,831,736)	(11,348,367)
Deferred Tax Benefit	6.d	7,207,934	2,837,092
Total Other Comprehensive Income - Net of Tax		(21,623,802)	(8,511,275)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,300,378,269	2,210,128,610

The accompanying notes form an integral part of these financial statements

PT MINDA TRADING
STATEMENT OF CHANGES IN EQUITY
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

	Share Capital	Foreign Exchange Rate Differences from Paid-up Capital	Retained Earnings	Total Equity
	Rp	Rp	Rp	Rp
BALANCE AS OF MARCH 31, 2017	907,000,000	(5,800,000)	4,914,913,876	5,816,113,876
Profit for the Year	--	--	2,218,639,885	2,218,639,885
Other Comprehensive Loss for the Year	--	--	(8,511,275)	(8,511,275)
BALANCE AS OF MARCH 31, 2018	907,000,000	(5,800,000)	7,125,042,486	8,026,242,486
Profit for the Year	--	--	3,322,002,071	3,322,002,071
Other Comprehensive Loss for the Year	--	--	(21,623,802)	(21,623,802)
BALANCE AS OF MARCH 31, 2019	907,000,000	(5,800,000)	10,425,420,755	11,326,620,755

The accompanying notes form an integral part of these financial statements

PT MINDA TRADING
STATEMENT OF CASH FLOWS
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

	Notes	2019 Rp	2018 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Customers		57,228,557,821	35,907,020,745
Paid to Suppliers and Others		(52,451,076,555)	(31,380,810,238)
Paid to Employees		(1,425,324,629)	(568,465,525)
Payments for Income Tax		(1,514,785,354)	(445,683,205)
Payment for Underpayment of Tax Assesment	6	(246,108,188)	(390,319,939)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		1,591,263,095	3,121,741,838
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant, and Equipment	8	--	(564,561,698)
Purchase of Other Asset		(319,103,894)	--
NET CASH FLOWS USED FROM INVESTING ACTIVITIES		(319,103,894)	(564,561,698)
CASH FLOWS FROM FINANCING ACTIVITIES		--	--
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,272,159,201	2,557,180,140
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR		7,828,681,008	5,271,500,868
CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR	3	9,100,840,209	7,828,681,008

The accompanying notes form an integral part of these financial statements

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

1. General

1.a. Establishment and General Information

PT Minda Trading (“the Company”) is a limited liability company established in Indonesia within the framework of the Foreign Capital Investment Law No.1 Year 1967 jo No.11 Year 1970. The approval of Foreign Capital Investment was stated in the approval letter of the Chairman of Capital Investment Coordinating Board No.00490/I/PPM/PMA/2010 dated March 31, 2010.

The Company’s Article of Association was stated in the Notarial Deed No. 3 of Siti Rachmayanti, SH, dated April 8, 2010, and approved by Minister of Justice and Human Rights of the Republic of Indonesia in its decision letter No. AHU-19215.AH01.01.TH.2010 dated April 15, 2010, with amended article No.35 dated October 18, 2012 and approved by Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No.AHU-AH-01.10-02542 dated January 31,2013 and ammended article of association dated 8 April 2014 and approved by Minister of Law and Human Rights of the Republic of Indonesia in his decision letter No.AHU-01576.40.22.2014 dated 10 April 2014. The latest amendment was made by Notarial Deed of Hesti Pudjiastuti, SH, No. 6 dated June 16, 2015 related to changes in the composition of Director. The amendment was approved by the Minister of Law and Human Rights of Republic of Indonesia based on decision letter No. AHU-AH.01.03-0942302 dated June 17, 2015.

In accordance with Article 3 of the Company’s Articles of Association, the purposes and objectives of the Company are to operate in Trade and Services. In order to achieve the purposes and objectives, the Company may carry out the following activities :

- i. To operate export-import trading and main distributor of trade goods such as automotive and electrical parts.
- ii. To operate management consultancy services, consulting and advice on business development.

The Company is domiciled at Permata Raya Lot CA-7, Kawasan Industry KIIC, Karawang, Jawa Barat 41361. The Company started to operate commercially on April 8, 2010. PT Minda Asean Automotive is the parent entity and ultimate parent entities is Minda Industries Limited.

1.b. Commissioner and Director

The Company’s Commissioner and Director as of March 31, 2019 and 2018 are as follows:

	<u>March 31, 2019 and 2018</u>
Commisioner	Mr. Pradip Kumar Tewari
Director	Mr. Bhaskar Bharti Gosai

As of March 31, 2019 and 2018, the Company has 7 and 2 of permanent employee, respectively (unaudited).

Salaries and Benefits for the Directors for the years ended March 31, 2019 and 2018 amounting to Rp681,534,219 and Rp514,670,333, respectively.

2. Significant Accounting Policies

2.a. Compliance of Financial Accounting Standards

The financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI).

2.b. Basis of Measurement and Preparation of Financial Statements

The basis of measurements in preparation of these financial statements is historical cost, except for certain accounts which are measured on the basis described in the related accounting policies.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

The financial statement are prepared using accrual basis of accounting, except the statement of cash flows. The financial statement of cash flows have been prepared by using direct method by classifying cash flows into operating, investing, and financing activities.

The reporting and functional currency used in the preparation of the financial statements is Rupiah (Rp).

2.c. Accounting Standard Effective in the Current Year

The following are revisions, amendments and adjustments of standards and interpretations of standard issued by DSAK-IAI and effectively applied for the year starting on or after January 1, 2018, as follows:

- PSAK 16 (Amendment 2015): "Property, Plant and Equipment regarding Agriculture: Bearer Plants";
- PSAK 69: "Agriculture";
- PSAK 2 (Amendment 2016): "Statements of Cash Flows regarding Disclosure Initiative";
- PSAK 46 (Amendment 2016): "Income Tax regarding Deferred Tax Assets Recognition for Unrealised Loss";
- PSAK 13 (Amendment 2017): "Investment Property regarding Transfer of Investment Property";
- PSAK 53 (Amendment 2017): "Share-based Payment regarding Classification and Measurement of Share-based Payment Transaction";
- PSAK 15 (Improvement 2017): "Investment in Associates and Joint Ventures";
- PSAK 67 (Improvement 2017): "Disclosure of Interests in Other Entities".

The Implementation of the above standards had no significant effect on the amounts reported for the current period or prior financial year.

2.d. Foreign Currency Transactions and Balances

The Company maintains its accounting records in Rupiah. Transactions in currencies other than Rupiah are recorded at end of previous month middle exchange rate quoted by Bank Indonesia.

At statements of financial position date, all monetary assets and liabilities in foreign currencies are translated into Rupiah by using middle rate of exchange published by Bank Indonesia at such date.

Exchange gains and losses arising from translations of foreign currency monetary assets and liabilities are recognized in the current year's statements of profit or loss and other comprehensive income.

Exchange rates used as of March 31, 2019 and 2018 to translate the major foreign currencies are as follows:

	March 31, 2019	March 31, 2018
	Rp	Rp
USD 1	14,244	13,756

2.e. Cash Equivalents

Cash equivalents consist of short term deposits with maturity less than or equal to 3 (three) months since their placement and not pledged as collateral.

2.f. Financial Asset and Liabilities

Financial Assets

Financial assets are classified into four categories, as follows: (i) financial assets at fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity financial assets and (iv) available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction cost and subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables include cash and cash equivalents, trade receivables, and other receivables from related party.

Impairment of Financial Assets

Financial assets, other than those at Fair Value Through Profit and Loss (FVTPL), are assessed for indicators of impairment at each financial position's reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For quoted and unquoted equity investments classified as AFS, a significant or prolonged decline in the fair value of the equity investment below its cost is considered to be an objective evidence of impairment.

Some objective evidence for impairment value are as follows:

- significant financial difficulty of the issuer or counterparty; or
- a breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as receivables, the impairment value of assets are assessed individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period as well as, and observable changes in the national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment is the difference between the assets's carrying amount and the present value of estimated future cash flows, discounted at the financial assets's original effective interest rate.

The carrying amount of the financial asset is directly reduced by the amount of impairment loss for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized the statement of income

Financial Liabilities

Financial liabilities are classified into the category of (i) financial liabilities at fair value through profit or loss and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities measured at amortized cost

Financial liabilities that are not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost.

Financial liabilities which categorized into financial liabilities measured at amortized cost are trade payables, other payables and accrued expenses.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

PSAK No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 1) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- 2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2), and
- 3) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price, while financial liabilities use ask price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and its net amount presented in the statement of financial position only if it has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis or to realize the assets and settle liabilities simultaneously.

Derecognition

Derecognition of a financial asset when the contractual rights to the cash flows from the financial asset expire or when the financial asset has been transferred and substantially all the risks and rewards of ownership have been transferred (if, substantially all the risks and rewards are not transferred, then the Company will conduct an evaluation to ensure ongoing involvement of the controls which are still not prevent derecognition).

Financial liabilities are derecognized when the liability specified in the contract is discharged or canceled or expire. If an existing financial liability is replaced by another 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 original liabilities and the recognition of a new liability, and the difference between the carrying amount of each financial liabilities are recognized in the statement of comprehensive income.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and others paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

2.g. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is based on the first in first out method and comprises all cost of purchase, cost of conversion and appropriate overheads incurred in bringing the inventories to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

2.h. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

2.i. Property, Plant and Equipment

The Company had chosen the cost model as the accounting policy for their property, plant and equipments measurement.

Property, plant and equipments are stated at cost less accumulated depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the property, plant and equipments when that 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 property, plant and equipments as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in the statements of comprehensive income as incurred.

Depreciation of property, plant and equipments, is computed using the straight-line method over the following estimated useful lifes.

	<u>Years</u>
Computers	4
Tools and Equipments	4

The cost of maintenance and repairs is charged as an expense as incurred. Expenditures which extend the useful life of an asset or provide further economic benefits by increasing the capacity or quality of production of the asset, are capitalized and depreciated based on the applicable depreciation rate.

An item of property, plant and equipments is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income in the period the asset is derecognized.

The residual values, useful lifes and methods of depreciation of property, plant and equipments are reviewed and adjusted prospectively, if appropriate, at the end of each financial period.

2.j. Revenue and Expenses Recognition

Revenue is recognized when products are delivered to customers. Expenses and other income are recognized when they are incurred/earned (accrual basis).

2.k. Income Taxes

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases except those differences that are subject to final tax. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted as of the statement of financial position date. Deferred tax is charged or credited in the statement of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

Deferred tax assets and liabilities are offset in the consolidated statement of financial position, except deferred tax assets and liabilities of different entity in the same manner the current tax assets and liabilities are presented.

Deferred tax assets and liability are offset if, and only if (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.l. Post-Employment Benefit Liabilities

Short-term Employee Benefits

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Company recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation determine by discounting the benefit.

The Company account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Termination Benefits

The Company recognizes a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the Company can no longer withdraw the offer of those benefits; and
- (b) When the Company recognizes costs for a restructuring that is within the scope of PSAK No. 57 and involves payment of termination benefits.

The Company measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.m. Transaction with Related Parties

Related parties is a person or entity that is related to the entity that is preparing its financial statement (reporting entity) that following criterias applies:

- a) A person or close member of that person's family is related to a reporting entity if that person:
 - i. Has control or joint control over reporting entity;
 - ii. Has significant influence over reporting entity; or
 - iii. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

PT MINDA TRADING
NOTES TO THE FINANCIAL STATEMENT (Continued)
For the Years Ended March 31, 2019 and 2018
(In Full of Rupiah)

- b) An entity is related to reporting entity if any of the following conditions applies:
- i. The entity and reporting entity are the same group member (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 entity or joint venture of a member group of which the other entity is a member);
 - iii. Both entities are joint venture of the same third party;
 - iv. One of entity is joint venture of a third entity and the other entity is an associate of the third entity;
 - v. The entity is a post-employment benefit plan for the benefit of employees of either reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. The entity is controlled or jointly control 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. Entities, or members of the Company to which the entity is part of the Company, providing services to the entity's key management personnel or to the parent entity of the reporting entity.

All significant transactions and balances with related parties are disclosed in the relevant notes.

2.n. Impairment of Non-Financial Asset

At the statement of financial position dates, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of net selling price or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

2.o. Use of Estimates

The preparation of the Company financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, 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 amounts of assets or liabilities affected in future years.

Determination of Functional Currency

In the process of applying Company accounting policies, management has made judgment on the determination of functional currency, apart from those estimations and assumptions which have the most significant effects on the amounts recognized in the financial statements.

The functional currency is the currency of the primary economic environment in which each of them operates. It is the currency, among others, that mainly influences sales prices for goods and services, of the country whose competitive forces and regulations mainly determine the sales prices of its goods and services, and the currency in which funds from financing activities are generated.

Determination of Fair Values of Financial Assets and Financial Liabilities

When the fair value of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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Estimating Provision for Impairment Losses on Receivables

If there is objective evidence that an impairment loss has been incurred on trade receivables, Company estimate the provision for impairment losses related to their trade receivables that are specifically identified as doubtful of collection. The level of provision is evaluated by management on the basis of factors that affect the collectibility of the accounts. In these cases, the Company use judgment based on the best available facts and circumstances, including but not limited to, the length of the Company relationship with the customers and the customers' credit status based on third-party credit reports and known market factors, to record specific reserves for customers against amounts due in order to reduce the Company receivables to amounts that they expect to collect. These specific reserves are re-evaluated and adjusted as additional information received affects the amounts estimated.

Uncertainty of Tax Exposure

In certain circumstances, the Company may not be able to determine the exact amount of their current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company apply similar considerations as they would use in determining the amount of a provision to be recognized in accordance with PSAK 57, "Provisions, Contingent Liabilities and Contingent Assets". The Company make an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Interest and penalties for the underpayment of income tax, if any, are presented under Other Income (Expenses) as part of "Others - net" in the financial statements of profit or loss and other comprehensive income

Estimated of Useful Life

The Company reviews on useful life of property, plant and equipment based on several factors i.e. technical conditions and technology development in the future. Operating results in the future will be affected by the estimated changes of those factors (See Note 8 for carrying value of property, plant and equipment).

Post-Employment Benefit

The present value of post employment benefit depends on several factors which are determined by actuarial basis based on several assumptions. Assumptions used to determine pension costs (benefits) covered discount rate. The changes of assumption might affect carrying value of post employment benefit.

Impairment of Non Financial Assets

In accordance with Company accounting policy, each asset or Cash Generated Unit (CGU) is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use.

The determination of fair value and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves, operating costs, closure and rehabilitation costs and future capital expenditure. these estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may have an impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reduced with the impact recorded in the consolidated statements of profit or loss and other comprehensive income

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3. Cash and Cash Equivalents

	March 31, 2019	March 31, 2018
	Rp	Rp
Cash on Hand		
Rupiah	9,338,100	13,053,100
US Dollar	52,987,680	11,279,920
Cash in Banks		
Rupiah		
PT Bank Mandiri (Persero) Tbk	836,992,147	464,471,410
US Dollar		
PT Bank Mandiri (Persero) Tbk	1,301,522,282	239,876,578
Total Cash in Banks	2,138,514,429	704,347,988
Time Deposits		
Rupiah		
PT Bank Mandiri (Persero) Tbk	6,900,000,000	7,100,000,000
Total	9,100,840,209	7,828,681,008

As of March 31, 2019 and 2018 the time deposits represent time deposits for less than 1 (one) month with interest rates between 2% to 4,50% and 2% to 4%, respectively.

4. Trade Receivables

	March 31, 2019	March 31, 2018
	Rp	Rp
Third Parties		
Local - Rupiah	4,210,672,543	2,810,276,371
Foreign - US Dollar	3,099,235,872	2,187,559,180
Total	7,309,908,415	4,997,835,551

The aging of trade receivables are as follows:

	March 31, 2019	March 31, 2018
	Rp	Rp
Less than 31 days	5,797,291,050	3,213,828,883
31 - 60 days	1,302,059,708	1,688,264,908
61 - 90 days	210,557,657	95,741,760
91 - 120 days	--	--
more than 120 days	--	--
Total	7,309,908,415	4,997,835,551

As of March 31, 2019 significant amount of trade receivables consist of current outstanding, those the Management believes that all receivables are collectible and a provision for impairment losses is not considered necessary.

5. Inventories

Represents finished goods amounting to Rp4,328,785,272 and Rp2,669,499,648 as of March 31, 2019 and 2018, respectively. The Company's inventories were insured to PT Asuransi Wahana Tata against all risks with sum insured of USD1,286,000 and USD1,260,000 as of March 31, 2019 and 2018, respectively. The amount insured is combined with holding company PT Minda Asean Automotive (Parent Company) and period covered from September 23, 2018 to September 23, 2019. The Management believes that the insurance coverage is adequate to cover possible losses on the assets insured. The Management does not provide allowance for inventory obsolescence because management believes that all of the inventories are usable.

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6. Taxation

a. Prepaid Taxes

	March 31, 2019	March 31, 2018
	Rp	Rp
Corporate Income Tax Article 28A 2011	264,125,615	264,125,615
Value Added Tax - In	--	214,626,429
Other Prepaid Tax	1,310,341,837	1,310,341,837
Total	1,574,467,452	1,789,093,881

Other prepaid tax represents Income Tax Article 28A for the year 2011. Until the issuance of the report the Company still on appeal againsts of this tax. As of March 31, 2019, the Management has made provision regarding Corporate Income Tax Article 28A 2011 and Other Prepaid Tax due to uncertainty result of the appeal process amounted to Rp1,574,467,452 (Note 10).

b. Taxes Payable

	March 31, 2019	March 31, 2018
	Rp	Rp
Income Tax :		
Article 21	10,797,826	7,060,146
Article 23	2,352,628	11,531,139
Article 25	32,396,190	4,938,072
Article 26	29,938,790	--
Article 29	8,636,122	326,476,245
Article 4 (2)	1,800,000	--
Value Added Tax	135,185,004	--
Total	221,106,560	350,005,602

c. Income Tax Expenses (Benefit)

	March 31, 2019	March 31, 2018
	Rp	Rp
Current Tax	1,224,403,349	770,838,101
Current Tax Adjustment from Prior Year (Note 6.e)	228,623,798	190,391,868
Deferred Tax	(13,251,057)	(4,567,234)
Total	1,439,776,090	956,662,735

A reconciliation between profit before tax as shown in the statements of profit or loss and income tax computations are as follows:

	March 31, 2019	March 31, 2018
	Rp	Rp
Income Before Tax as per		
Statements of Profit or Loss	4,761,778,161	3,175,302,620
<i>Add/(Less):</i>		
Final Taxable Income:		
Interest Income	(54,362,085)	(134,146,332)
Timing Difference:		
Employee Benefits	53,004,228	18,268,937
Permanent Differences:		
Tax Expenses	57,231,554	199,928,071
Leave Travelling Expense	59,999,025	17,138,976
Medical	16,182,916	9,141,750
Staf Welfare Expense	3,779,603	9,594,736
	135,835,241	119,926,138
Taxable Income - Net	4,897,613,402	3,295,228,758

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	March 31, 2019 Rp	March 31, 2018 Rp
Current Tax Expense	1,224,403,349	
Proportional to sales as per tax facility		--
Tax Reduce Facility for March 31, 2018	--	52,969,088
Add for March 31, 2018	--	717,869,013
Total Tax Expense	1,224,403,349	770,838,101
Less :		
Income Tax Article 22	890,086,000	382,061,000
Income Tax Article 23	19,301,301	--
Income Tax Article 25	306,379,926	62,300,856
	1,215,767,227	444,361,856
Under payment of Corporate Income Tax - Current Year	8,636,122	326,476,245

Current income tax computation are based on estimated taxable income. The amount may be adjusted when the Annual Tax Returns are filled with the tax office.

Reconciliation between tax expenses and result of multiplication of accounting profit before tax using the prevailing rate are as follows:

	March 31, 2019 Rp	March 31, 2018 Rp
Profit Before Tax	4,761,778,161	3,175,302,620
Income Tax Calculated Using prevailing tax rate	1,190,444,540	793,825,655
Tax Effect of Income (Expenses) that are Not Deductible For Tax Purpose are as follows:		
Tax Expenses	14,307,889	49,982,018
Leave Travelling Expense	14,999,756	4,284,745
Medical	4,045,729	2,285,438
Staf Welfare Expense	944,900	2,398,684
Interest Income	(13,590,521)	(33,536,583)
Total	20,707,752	25,414,301
Current Tax Adjustment from Prior Year	228,623,798	137,422,779
Total of Tax Expenses	1,439,776,090	956,662,735

d. Deferred Tax Assets

The utilization of deferred tax assets recognized by the Company is dependent upon future taxable income in excess of income resulting from reversal of existing taxable temporary differences.

A reconciliation between profit before income tax stated in the profit and loss and the estimated taxable profit for the year ended March 31, 2019 and 2018 are as follows:

	March 31, 2017 Rp	Credited to Profit or Loss Rp	Credited to Other Comprehensive Income Rp	March 31, 2018 Rp	Credited to Profit or Loss Rp	Credited to Other Comprehensive Income Rp	March 31, 2019 Rp
Employee Benefit	7,882,072	4,567,234	2,837,092	15,286,398	13,251,057	7,207,934	35,745,389
Total Deferred Tax Assets	7,882,072	4,567,234	2,837,092	15,286,398	13,251,057	7,207,934	35,745,389

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e. Tax Examination

During 2019, the Company has received tax assesment letters, are as follows:

Type of Taxes	Fiscal Year	Issued Date	Result of Tax Assesment	Amounted (Rp)	Notes	Status as at Date of the Financial Statement
Corporate Income Tax	2014	April 23, 2014	Underpayment	228,623,798	6.c	Paid
				228,623,798		
Value Added Tax	2014	April 24, 2014	Underpayment	2,800,000		Paid
Value Added Tax	2014	April 24, 2014	Underpayment	1,400,000		Paid
Value Added Tax	2014	April 24, 2014	Underpayment	5,722,224		Paid
Value Added Tax	2014	April 24, 2014	Underpayment	2,019,000		Paid
Value Added Tax	2014	April 24, 2014	Underpayment	126,610		Paid
Value Added Tax	2014	April 24, 2014	Underpayment	5,416,556		Paid
			Sub total	17,484,390	16	
			Total	246,108,188		

7. Other Receivables

Represents advances to the employees as of March 31, 2019 and 2018 amounted to Rp35,000,026 and Rp40,649,448.

8. Property, Plant and Equipment

	2019			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Computers	50,964,580	--	--	50,964,580
Tools and Equipments	572,403,298	--	--	572,403,298
	623,367,878	--	--	623,367,878
Accumulated Depreciation				
Computers	50,964,580	--	--	50,964,580
Tools and Equipments	28,261,037	71,550,412	--	99,811,449
	79,225,617	71,550,412	--	150,776,029
Carrying Amount	544,142,261			472,591,849
	2018			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Computers	50,964,580	--	--	50,964,580
Tools and Equipments	7,841,600	564,561,698	--	572,403,298
	58,806,180	564,561,698	--	623,367,878
Accumulated Depreciation				
Computers	48,622,638	2,341,942	--	50,964,580
Tools and Equipments	3,757,433	24,503,604	--	28,261,037
	52,380,071	26,845,546	--	79,225,617
Carrying Amount	6,426,109			544,142,261

Depreciation expenses were allocated as follows:

	2019 Rp	2018 Rp
Cost of Goods Sold (Note 16)	980,200	980,200
General and Administrative Expenses (Note 17)	70,570,212	25,865,346
Total	71,550,412	26,845,546

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9. Trade Payables

	March 31, 2019	March 31, 2018
	Rp	Rp
Related Parties (Note 22)		
Local - Rupiah	459,111,627	628,312,186
Foreign - US Dollar	8,292,604,539	4,514,970,167
	8,751,716,166	5,143,282,353
Third Parties		
Local - Rupiah	514,169,946	2,726,393,367
Foreign - US Dollar	635,852,160	--
	1,150,022,106	2,726,393,367
Total	9,901,738,272	7,869,675,720

10. Accrued Expenses

	March 31, 2019	March 31, 2018
	Rp	Rp
Tax Expense (Note 6.a)	1,574,467,452	1,574,467,452
Others	9,527,911	3,651,343
Total	1,583,995,363	1,578,118,795

11. Other Asset

Other asset amounted Rp319,103,894 represents costs incurred in the ongoing process of changeover from Tally to SAP accounting system. This includes the development of the software, as well as other related costs. Started in September 2018, as per 31 March 2019, the installation has reached 60% of its development.

12. Post-Employment Benefit Liabilities

	March 31, 2019	March 31, 2018
	Rp	Rp
Employee Benefit Liability	142,981,556	61,145,592

The Company provide employee benefits based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The Management believes that the retirement benefit program sufficient to cover all compensation according to the Law No. 13/2003.

The calculation of all factors is commonly called the actuarial present value. The actuarial valuation at the expense of pension PT Minda Trading respectively on March 31, 2019 and 2018 conducted by PT Bumi Dharma Aktuaria, an independent actuary, in its report respectively on March 31, 2019 and 2018, and in accordance with PSAK 24 (Revised 2013) using the Projected Unit Credit consider the following assumptions:

	March 31, 2019	March 31, 2018
Discount Rate (per annum)	8.34%	7.27%
Salary Increase Rate (per annum)	10,00%	10,00%
Mortality Rate	TMI 2011	TMI 2011
Disability Rate	10% x TMI-2011	10% x TMI-2011
Normal Retirement Age (year)	55	55

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The movement in actual present value of obligation for the years ended March 31, 2019 and 2018 are as follows:

	<u>2019</u> Rp	<u>2018</u> Rp
Actual Present Value of Obligation at Beginning of Year	61,145,592	31,528,288
Current Service Cost	48,558,943	15,752,980
Interest Cost	4,445,285	2,515,957
Actuarial (Gain) Loss on Obligation	28,831,736	11,348,367
Present Value of Obligation at End of Period/Year - Actual	<u>142,981,556</u>	<u>61,145,592</u>

Net benefit expense for the years ended March 31, 2019 and 2018 based on actuarial valuation are as follows:

	<u>2019</u> Rp	<u>2018</u> Rp
Current Service Cost	48,558,943	15,752,980
Interest income (Net)	4,445,285	2,515,957
Net Benefit Expense	<u>53,004,228</u>	<u>18,268,937</u>

The movement in the employee benefits for the years ended March 31, 2019 and 2018 are as follows:

	<u>2019</u> Rp	<u>2018</u> Rp
Beginning Balance	61,145,592	31,528,288
Total Expense Recorded at Profit or Loss	53,004,228	18,268,937
Total Expense Recorded at Other Comprehensive Income	28,831,736	11,348,367
Ending Balance	<u>142,981,556</u>	<u>61,145,592</u>

The movement in actuarial gain for the years ended March 31, 2019 and 2018 are as follows:

	<u>2019</u> Rp	<u>2018</u> Rp
Beginning Balance	185,048,038	196,396,405
Current Year	(28,831,736)	(11,348,367)
Ending Balance	<u>156,216,302</u>	<u>185,048,038</u>

13. Share Capital

Based on Notarial Deed No. 9 dated June 18, 2018 of Agustiyanto Eko Setyanto, S.H.,M.Kn. notary in Bogor, the Company agreed to convert whole portion of the 100 shares from Mr. Sanjay Jain to SAM Global Pte. Ltd.

The composition of shareholders and their percentage of ownership as of March 31, 2019 and 2018 was as follows:

Shareholders	<u>March 31, 2019</u>		
	<u>Number of Shares</u>	<u>Percentage of Ownership %</u>	<u>Issued and Paid- in Capital Rp</u>
PT Minda Asean Automotive	9,900	99%	897,930,000
SAM Global Pte.Ltd.	100	1%	9,070,000
Total	<u>10,000</u>	<u>100%</u>	<u>907,000,000</u>

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Shareholders	March 31, 2018		
	Number of Shares	Percentage of Ownership %	Issued and Paid-in Capital Rp
PT Minda Asean Automotive	9,900	99%	897,930,000
Mr Sanjay Jain	100	1%	9,070,000
Total	10,000	100%	907,000,000

The exchange rate difference of Rp5,800,000 from Paid-up Capital represents exchange rate difference on paid-up capital as a result of differences in the rates of exchange at the time of receipt of capital contributions in US Dollar of USD 1: Rp9,012 and the rate of exchange as per the Company's Articles of Association of USD 1: Rp9,070.

14. Retained Earnings

Retained Earnings consist of:

	March 31, 2019 Rp	March 31, 2018 Rp
Retained Earnings	10,308,258,528	6,986,256,456
Other Comprehensive Income Accumulated - net of tax Actuarial Gain (Note 12)	117,162,227	138,786,030
Total	10,425,420,755	7,125,042,486

Retained earnings represents the accumulative balance of profit or loss after deducting dividends and the appropriation of reserve through annual general meeting of shareholder's decision (if any).

Other comprehensive income represents actuarial gain which is derived from the remeasurement of post-employment benefit.

15. Net Sales

	2019 Rp	2018 Rp
Local	47,141,579,013	24,419,473,431
Export	12,399,051,671	12,906,773,363
Less: Sales Discount Export	--	(15,946,520)
Net Sales	59,540,630,684	37,310,300,274

16. Cost of Goods Sold

	2019 Rp	2018 Rp
Beginning Inventory	2,669,499,648	1,779,014,810
Purchases	49,345,476,728	31,314,805,263
Freight and Handling Charges	4,024,513,420	1,332,381,970
Custom Duty	1,069,546,239	214,669,000
Depreciation (Note 8)	980,200	980,200
Ending Inventory (Note 5)	(4,328,785,272)	(2,669,499,648)
Total Cost of Goods Sold	52,781,230,963	31,972,351,596

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17. General and Administrative Expenses

	<u>2019</u>	<u>2018</u>
	Rp	Rp
Salary, Allowances and Bonus	1,105,877,664	630,164,476
Professional Fees	449,183,800	581,220,000
Rent Expense	72,000,000	72,000,000
Depreciation (Note 8)	70,570,212	25,865,346
Transportation, Travelling and Forwarding	68,477,141	216,457,588
Tax Expense (Note 6)	57,231,554	199,928,071
Working Permit Expense	39,253,200	55,497,269
Other (Each below Rp10,000,000)	136,003,059	63,412,585
Total	<u>1,998,596,631</u>	<u>1,844,545,335</u>

18. Selling Expenses

	<u>2019</u>	<u>2018</u>
	Rp	Rp
Sales Incentive	159,182,446	--
Entertainment	1,784,400	10,056,300
Waranty Claim Expense	239,450	--
Sales Promotion	--	250,481,850
Total	<u>161,206,296</u>	<u>260,538,150</u>

19. Other Income (Expenses)

	<u>2019</u>	<u>2018</u>
	Rp	Rp
Other Income (Expenses) :		
Interest Income	221,758,948	134,146,332
Others Income	54,362,085	--
Loss on Foreign Exchange	(18,041,088)	(176,296,509)
Bank Charges	(95,898,578)	(15,412,395)
Total Others Income (Expenses) - Net	<u>162,181,367</u>	<u>(57,562,573)</u>

20. Monetary Asset and Liability in Foreign Currencies

		<u>March 31, 2019</u>		<u>March 31, 2018</u>	
		Equivalent to Rp	Foreign Currency	Equivalent to Rp	Foreign Currency
Monetary Assets					
Cash and Cash Equivalents	USD	1,354,509,962	95,093	251,156,498	18,258
Trade Receivables					
Third Parties	USD	3,099,235,872	217,582	2,187,559,180	159,026
Total Monetary Assets		<u>4,453,745,834</u>	<u>312,675</u>	<u>2,438,715,678</u>	<u>177,284</u>
Monetary Liabilities					
Trade Payables					
Related Parties	USD	8,292,604,539	582,182	4,514,970,167	328,218
Third Parties	USD	635,852,160	44,640	--	--
Total Monetary Liabilities		<u>8,928,456,699</u>	<u>626,822</u>	<u>4,514,970,167</u>	<u>328,218</u>
Net Monetary Liabilities		<u>(4,474,710,865)</u>	<u>(314,147)</u>	<u>(2,076,254,489)</u>	<u>(150,934)</u>

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21. Financial Instrument and Financial Risk Management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (which includes currency risk and interest risk), liquidity risk and credit risk. The Directors carried out their financial risks management in accordance with established policies and procedures.

(i) Market Risk

a. Currency Risk

The Company has an exposure to currency risk as its trade receivable is denominated in both US Dollar and Indonesian Rupiah. Below is the detail of accounts which is denominated in USD as follows:

USD	March 31, 2019	March 31, 2018
Assets	Equivalent Rp	Equivalent Rp
Cash and Cash Equivalents	1,354,509,962	251,156,498
Trade Receivables	3,099,235,872	2,187,559,180
	4,453,745,834	2,438,715,678
	March 31, 2019	March 31, 2018
	Equivalent Rp	Equivalent Rp
USD		
Liabilities		
Trade Payables	8,928,456,699	4,514,970,167
	8,928,456,699	4,514,970,167
Net Monetary Liabilities	(4,474,710,865)	(2,076,254,489)

Following is the sensitivity to a 100 basis point change in exchange rate of functional currency of US Dollar against significant outstanding non-functional currency as of March 31, 2019 and 2018, with other variables held constant, of the Company after tax. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 100 basis point change in foreign currency rate:

	Change in Currency Rate	Effect on Profit after Tax	
		March 31, 2019	March 31, 2018
		Rp	Rp
USD	+ 100 bp	(23,561,030)	(11,320,085)

b. Interest Rate Risk

The Company does not have any significant exposure to interest rate risk as it does not have any interest-bearing assets and liabilities.

(ii) Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, by continuous forecast and cash flows and matching the maturity profiles of financial assets and liabilities.

The following table represents the liquidity analysis of financial instruments as of March 31, 2019 and 2018 based on exposure on due date on undiscounted contractual maturities for all non-derivative financial assets and liabilities. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	March 31, 2019	
	Within One Year	Over One Year
	Rp	Rp
Cash and Cash Equivalents	9,100,840,209	--
Trade Receivable		
Third Parties	7,309,908,415	--
Other Receivable	35,000,026	--
Total	16,445,748,650	--

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	March 31, 2019	
	Within One Year	Over One Year
	Rp	Rp
Trade Payables		
Related Parties	8,751,716,166	--
Third Parties	1,150,022,106	--
Accrued Expenses	1,583,995,363	--
Total	11,485,733,635	--
	March 31, 2018	
	Within One Year	Over One Year
	Rp	Rp
Cash and Cash Equivalents	7,828,681,008	--
Trade Receivable - Third Parties	4,997,835,551	--
Other Receivable	40,649,448	--
Total	12,867,166,007	--
Trade Payables		
Related Parties	5,143,282,353	--
Third Parties	2,726,393,367	--
Accrued Expenses	1,578,118,795	--
Total	9,447,794,515	--

(iii) Credit Risk

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and receivables. Financial instruments of the Company which are potentially exposed to credit risk are cash in banks and trade accounts receivables. The maximum exposure to credit risk is equal to its carrying value.

The fair values of financial assets and liabilities, together with the carrying amounts, are as follows:

	March 31, 2019	
	Carrying Value	Fair Value
	Rp	Rp
Financial Assets		
Cash and Cash Equivalents	9,100,840,209	9,100,840,209
Trade Receivable - Third Parties	7,309,908,415	7,309,908,415
Other Receivable	35,000,026	--
Total	16,445,748,650	16,410,748,624
Financial Liabilities		
Trade Payable		
Related Parties	8,751,716,166	8,751,716,166
Third Parties	1,150,022,106	1,150,022,106
Accrued Expenses	1,583,995,363	1,583,995,363
Total	11,485,733,635	11,485,733,635
	March 31, 2018	
	Carrying Value	Fair Value
	Rp	Rp
Financial Assets		
Cash and Cash Equivalents	7,828,681,008	7,828,681,008
Trade Receivable - Third Parties	4,997,835,551	4,997,835,551
Other Receivable	40,649,448	--
Total	12,867,166,007	12,826,516,559

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	March 31, 2018	
	Carrying Value	Fair Value
	Rp	Rp
Financial Liabilities		
Trade Payable		
Related Parties	5,143,282,353	5,143,282,353
Third Parties	2,726,393,367	2,726,393,367
Accrued Expenses	1,578,118,795	1,578,118,795
Total	9,447,794,515	9,447,794,515

22. Related Parties Transactions

a. Nature of Relationships

Company Name	Type of Relationship	Transaction
PT Minda Asean Automotive	Controlling Shareholder	Trade Payable, Purchase and Sales
Minda Industries Limited	Ultimate Shareholder	Trade Payable, Receivable and Purchase
Minda Industries Vietnam Company Limited	Under Common Control	Purchase
Mindarika Pvt. Limited	Under Common Control	Trade Payable, Purchase and Acquisition of Property, Plant and Equipment

b. Details of Transactions with Related Parties:

	March 31, 2019	% of	March 31, 2018	% of
	Rp	Total Liabilities	Rp	Total Liabilities
Trade Payable				
PT Minda Asean Automotive	459,111,627	3.87%	628,312,187	6.37%
Minda Industries Vietnam Company Limited	623,165,457	5.26%	1,738,641,749	17.64%
Minda Industries Limited	5,925,686,323	50.01%	2,765,568,474	28.05%
Mindarika Pvt. Limited	1,743,752,759	14.72%	10,759,943	0.11%
Total	8,751,716,166	73.86%	5,143,282,353	52.17%

	March 31, 2019	% of	March 31, 2018	% of
	Rp	Total Cost of Good Sold	Rp	Total Cost of Good Sold
Cost of Good Sold				
Purchase				
Minda Industries Limited	15,014,968,375	28.45%	16,009,075,987	50.07%
Minda Industries Vietnam Company Limited	10,435,820,855	19.77%	7,859,905,377	24.58%
PT Minda Asean Automotive	3,598,806,458	6.82%	4,134,789,936	12.93%
Mindarika Pvt. Limited	20,680,365,040	39.18%	27,622,562	0.09%
Total	49,729,960,727	94.21%	28,031,393,862	87.66%

	March 31, 2019	% of	March 31, 2018	% of
	Rp	Total Sales	Rp	Total Sales
Sales				
PT Minda Asean Automotive	931,047,786	1.56%	--	0.00%
Total	931,047,786	1.56%	--	0.00%

	March 31, 2019	% of	March 31, 2018	% of
	Rp	Total Assets	Rp	Total Assets
Acquisition of Property, Plant and Equipment				
Mindarika Pvt. Limited	--	0.00%	512,910,356	2.87%
Total	--	0.00%	512,910,356	2.87%

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23. Capital Management

The Company purpose in managing capital is to protect the ability of the entity in maintaining business continuity, so that entities can still deliver results for shareholders and benefits for other stakeholders, and to provide adequate returns to shareholders by pricing products and services that are commensurate with the level of risk.

The Company set a number of capitals in proportion to the risk. The Company manages its capital structure and makes adjustments taking into account changes in economic conditions and risk characteristics of the underlying asset. Consistent with other companies in the industry, the Company monitors capital on the basis of the ratio of adjusted debt to capital. This ratio is calculated as follows: net debt divided by adjusted capital, net debt is total debt (as the amount in the statement of financial position) less cash and cash equivalents.

Adjusted capital comprises all components of equity (including capital stock, foreign exchange translation adjustment of foreign currency and retained earnings). During April until March 2019, the Company's strategy has not changed, namely, to maintain the debt to equity ratio at maximum 1.05x. The ratio of debt to equity as at March 31, 2019 and 2018 are as follows:

	March 31, 2019	March 31, 2018
	Rp	Rp
Short-term Liabilities	11,706,840,195	9,797,800,117
Long-term Liabilities	142,981,556	61,145,592
Total Liabilities	11,849,821,751	9,858,945,709
Total Equity	11,326,620,755	8,026,242,486
Debt to Equity Ratio	1.05x	1.23x

24. Standard and Improvement to Standards Effective After Ending Period

The following standards and amendments are effective for periods beginning on or after January 1, 2019, with early application permitted, such as:

- PSAK 22 (Improvement 2018): "Business Combination
- PSAK 24 (Amendment 2018): "Employee Benefit regarding Plan Amendment, Curtailment or Settlement"
- PSAK 26 (Improvement 2018): "Borrowing Cost"
- PSAK 46 (Improvement 2018): "Income Taxes"
- PSAK 66 (Improvement 2018): "Joint Arrangement"
- ISAK 33: "Foreign Currency Transactions and Advance Consideration"
- ISAK 34: "Uncertainty over Income Tax Treatments".

The following standards and amendments are effective for periods beginning on or after January 1, 2020, with early application permitted, such as:

- PSAK No. 71: "Financial Instrument"
- PSAK No. 72: "Revenue from Contract with Customer"
- PSAK Nsso. 73: "Lease"
- PSAK No. 62 (Amendment 2017): "Insurance Contract"
- PSAK No. 15 (Amendment 2017): "Investment in Associates and Joint Ventures".

The following are new standard and amendment to standards effective for periods beginning on or after January 1, 2020 with early adoption is permitted:

- PSAK No. 71: "Financial Instrument"
- PSAK No. 72: "Revenue from Contract with Customer"
- PSAK No. 73: "Lease"
- PSAK No. 62 (Amendment 2017): "Insurance Contract".

Standard effective for periods beginning on or after January 1, 2021, with early application permitted as follow:

- PSAK 112: "Wakaf Accounting"

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25. Completion of the Financial Statements

Management of the Company is responsible for the preparation and presentation of the financial statements. The financial statements has been authorized for issuance by the Directors on May 2, 2019.