PT MD PICTURES Tbk AND SUBSIDIARIES

Consolidated Financial Statements
30 September 2018 and 31 December 2017, as well as
For the Nine Months Period Ended
September 30, 2018 and 2017

Along with
Report on Interim Consolidated Financial Information Review

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STATEMENT OF THE BOARD OF DIRECTORS
THE RESPONSIBILITY
FINANCIAL STATEMENTS
SEPTEMBER 30, 2018 AND DECEMBER 31, 2017, AS WELL
FOR A MONTH OF NINE PERIODS ENDED
DATE-DATE SEPTEMBER 30, 2018 AND 2017PT
MD PICTURES TBK AND SUBSIDIARIES

We, the undersigned:

Name : MANOJ DHAMOO PUNJABI
Office Address : Gedung MD Place, Jl. Setiabudi Selatan No.7, Setiabudi, Jakarta Selatan
Home Address : Jl. Sawo No.70, RT/RW 001/002, Gondangdia, Menteng, Jakarta Pusat, DKI Jakarta
Posititon : President Director

Nam : VENKATACHARI SOUNDARARAJAN
Office Address : Gedung MD Place, Jl. Setiabudi Selatan No.7, Setiabudi, Jakarta Selatan
Home Address : Pulomas Residence Blok H No.15 RT.012 RW.016, Kayu Putih, Pulo Gadung, Jakarta Timur, DKI Jakarta
Position : Director

States that:
1. Responsible for the preparation and presentation of financial statements of PT MD Pictures Tbk and Subsidiaries;
2. The consolidated financial statements of PT MD Pictures Tbk and Subsidiaries have been prepared and presented in accordance with Financial Accounting Standards in Indonesia;
3. a. All information in the financial statements of PT MD Pictures Tbk and Subsidiaries has been published completely and correctly;
   b. Financial reports of PT MD Pictures Tbk and Subsidiaries do not contain material information or facts that are incorrect, and does not eliminate material information or facts;
4. Responsible for the internal control system in PT MD Pictures Tbk and Subsidiaries.

This statement was made with actual.

PT MD PICTURES, Tbk
Jakarta, 30 October 2018

Ttd	Ttd
MANOJ DHAMOO PUNJABI	**VENKATACHARI SOUNDARARAJAN**
President Director	Director

PT MD PICTURES Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL POSITION REPORT
30 September 2018 and 31 December 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018	31 December 2017
ASSET			
CURRENT ASSET			
Cash and cash equivalents	2d, 2l, 4	268.013.761.256	18.274.576.702
Trade receivables	2l, 2m, 5		
Third Parties		17.464.318.884	6.262.782.040
Related Parties	31	36.986.817.888	3.692.191.839
Other Receivable	6		
Third Parties		149.978.171	56.492.156
Related Parties	31	243.142.183	-
Current prepaid taxes	2o, 7a	15.434.379.815	78.506.168
Current Advances	8	13.455.499.396	6.509.568.255
Current prepaid expenses	2g, 9	237.104.847	1.531.934
Total Current Asset		351.985.002.441	34.875.649.094
NON-CURRENT ASSET			
Prepaid Expenses	2e, 10	241.395.436	200.000.000
Other receivable related parties	2m, 6, 31	19.921.371.478	30.064.698.846
Fixed Asset - neto	2h, 11	715.207.093.533	4.222.991.793
Investment Property - neto	2i, 12	119.025.287.543	-
FILM Asset	2f, 13	178.261.209.823	131.621.230.283
Defferred tax assets	2o, 7d	454.794.250	399.440.500
Others Asset		2.000.000	-
Total Non- Current Asset		1.033.113.152.063	166.508.361.421
TOTAL ASSET		**1.385.098.154.504**	**201.384.010.515**

PT MD PICTURES Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL POSITION REPORT
30 September 2018 and 31 December 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018	31 December 2017
LIABILITIES AND EQUITY			
CURENT LIABILITIES			
Bank Payable	14	199.387.088	317.491.149
Trade Payable	15		
Third Parties		2.075.730.000	795.920.635
Related Parties	31	-	3.571.029.400
Taxes Payable	2o, 7b	36.461.642.184	12.855.857.301
Accrued Cost	16	1.325.330.663	20.249.526.100
Sales Advances	17	6.955.545.142	15.055.505.883
Other payable third parties	18	818.240.918	609.106.404
Total Current Liabilities		47.835.875.995	53.454.436.872
NON-CURRENT LIABILITIES			
Non-current due to related parties	2m, 19, 32	5.032.005.435	-
Employee Benefits Liabilities	2p, 20	1.819.177.000	1.597.762.000
Total Non-Current Liabilities		6.851.182.435	1.597.762.000
Total Liabilities		54.687.058.430	55.052.198.872

PT MD PICTURES Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL POSITION REPORT
30 September 2018 and 31 December 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018	31 December 2017
EQUITY			
Capital Stock	21	951.121.700.000	10.500.000.000
Authorized Capital 2.000.000 share in 30 September 2018 and 42.000 share in 31 December 2017 with identify nominal value each IDR 1.000.000 per share			
Issued and paid up capital 808.440 share in 30 September 2018 and 10.500 share in 31 December 2017			
Additional paid-in capital	22	153.685.174.076	100.000.000
Proforma restructurisation transaction			
Controlling entities	2c, 24	-	6.301.684.609
Other comprehensive income		(282.114.000)	221.944.500
Retained Earnings			
Appropriated		2.100.000.000	2.100.000.000
Unappropriated		223.785.310.152	127.108.182.534
Equity attributable to equity owners of parent entity		1.330.410.070.227	146.331.811.643
Non-controlling interests	2b, 23	1.025.847	-
Total Equity		1.330.411.096.075	146.331.811.643
TOTAL LIABILITIES DAN EQUITY		**1.385.098.154.504**	**201.384.010.515**

PT MD PICTURES Tbk AND SUBSIDIARIES
REPORT ON CONSOLIDATED LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine Months Period Ended September 30, 2018 and 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018 (9month)	30 September 2017 (9 month)
SALES	2n, 26	232.788.260.854	139.478.801.653
COST OF SALES	2n, 27	(53.496.796.477)	(34.765.056.516)
GROSS PROFIT		179.291.464.377	104.713.745.137
SELLING EXPENSES	2n, 28	(57.055.755.933)	(22.392.219.397)
PROFIT		122.235.708.444	82.321.525.740
OTHERS INCOME (EXPENSES)			
Others income	29	3.735.902.442	390.164.098
Others expenses	30	(41.930.166)	(53.653.980)
Others Income - Fixed		3.693.972.276	336.510.118
PROFIT(LOSS) BEFORE TAX		125.929.680.720	82.658.035.858
TAX BENEFIT (EXPENSES)	2o, 7		
Current		(28.901.552.039)	(8.782.859.069)
Deffered		(111.079.750)	38.331.563
Tax benefit (expenses)		(29.012.631.789)	(8.744.527.506)
Profit before profit of subsidiaries Proforma Impact from Entity Restructuring Transactions Controlling		96.917.048.931	73.913.508.352
Subsidiaries Profit Proforma Impact from Entity Restructuring Transactions Controlling	2c, 24	239.927.531	(429.435.967)
NETT PROFIT		**96.677.121.401**	**74.342.944.319**

PT MD PICTURES Tbk AND SUBSIDIARIES
REPORT ON CONSOLIDATED LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine Months Period Ended September 30, 2018 and 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018 (9 month)	30 September 2017 (9 month)
OTHER COMPREHENSIVE INCOME			
Items that not will be reclassification to profit (loss):			
Re-measurement of employee benefit liabilities		(672.078.000)	-
Related Income Tax		168.019.500	-
Other Comprehensive Income - Nett		(504.058.500)	-
TOTAL COMPREHENSIVE INCOME		**96.173.062.901**	**74.342.944.319**
Nett Profit attributable to :			
Parent entity		96.677.127.618	74.342.944.319
Non-controlling Interest		(6.217)	-
Total		**96.677.121.401**	**74.342.944.319**
Comprehensive income attributable to			
Parent entity		96.173.069.118	74.342.944.319
Non-controlling Interest		(6.217)	-
Total		**96.173.062.901**	**74.342.944.319**
DILUTED EARNINGS PER SHARE	2s, 25	**14,11**	**7.080.280**

PT MD PICTURES Tbk AND SUBSIDIARIES
REPORT OF CONSOLIDATED EQUITY CHANGE
For the Nine Months Period Ended September 30, 2018 and 2017
(Expressed in Rupiah, unless otherwise stated)

	Equity that can be Attributable to the Owner of the Parent Entity								
	Issued and Paid Up Capital	Additional Paid Up Capital	Proforma of Restructuring Transaction of Entities Under Common Controlling	Other Comprehensive Income	Retained Earnings: Appropriated Retained Earnings	Retained Earnings: Unappropriated Retained Earnings	Total	Interest Non - Controlling	Total Equity
Balance per 1 Januari 2017	10.500.000.000	100.000.000	5.563.341.584	434.037.000	-	83.327.590.227	99.924.968.811	-	99.924.968.811
Backup of retained earnings as general reserve	-	-	-	-	2.100.000.000	(2.100.000.000)	-	-	-
Cash Dividend Distribution	-	-	-	-	-	(15.000.000.000)	(15.000.000.000)	-	(15.000.000.000)
Effect of pre-acquisition proforma adjustment	-	-	(429.435.967)	-	-	-	(429.435.967)	-	(429.435.967)
Total comprehensive income current period	-	-	-	-	-	74.342.944.319	74.342.944.319	-	74.342.944.319
Balance 30 September 2017	**10.500.000.000**	**100.000.000**	**5.133.905.617**	**434.037.000**	**2.100.000.000**	**140.570.534.546**	**158.838.477.163**	**-**	**158.838.477.163**
Balance per 1 Januari 2018	10.500.000.000	100.000.000	6.301.684.609	221.944.500	2.100.000.000	127.108.182.534	146.331.811.643	-	146.331.811.643
Paid-in Capital	940.621.700.000						940.621.700.000	-	940.621.700.000
Premium Stock	-	1.177.000.000	-	-	-	-	1.177.000.000	-	1.177.000.000
Premium Stock Initial Public Offering	-	156.949.870.000	-	-	-	-	156.949.870.000	-	156.949.870.000
Share issuance expenses	-	(5.906.034.000)	-	-	-	-	(5.906.034.000)	-	(5.906.034.000)
Effect of pre-acquisition proforma adjustment (Notes 26)	-	-	193.527.653.467	-	-	-	193.527.653.467	-	193.527.653.467
Difference restruction transaction with entities under common control (Notes 1c, 26)	-	1.364.338.076	(199.829.338.076)	-	-	-	(198.465.000.000)	1.032.064	(198.463.967.936)
Total comprehensive income current period	-	-	-	(504.058.500)	-	96.677.127.618	96.173.069.118	(6.217)	96.173.062.901
Balance 30 September 2018	**951.121.700.000**	**153.685.174.076**	**-**	**(282.114.000)**	**2.100.000.000**	**223.785.310.152**	**1.330.410.070.227**	**1.025.847**	**1.330.411.096.075**

These provide additional information partaining are considered to be an integral part of consolidation financial statement summary

PT MD PICTURES Tbk AND SUBSIDIARIES
CONSOLIDATED CASH FLOW REPORTS
For the Nine Months Period Ended September 30, 2018 and 2017
(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018 (9 month)	30 September 2017 (9 month)
CASH FLOW FROM OPERATIONAL ACTIVITY			
Cash Receipt from customers		180.192.137.220	130.210.301.707
Payment to suppliers employees and others		(158.142.496.590)	(82.403.780.074)
Cash for operating activities		22.049.640.630	47.806.521.633
Interest Paid		(9.127.851)	(23.583.904)
Interest Received		977.657.893	27.649.098
Payments Income Tax		(6.228.672.319)	(45.576.419)
Nett cash flow received from (used in) Operational Expenses		16.789.498.353	47.765.010.408
CASH FLOW FROM INVESTMENT ACTIVITY			
Investment controlling entities		(198.465.000.000)	-
Acquisition of Fixed Asset		(99.412.841.668)	(472.909.175)
Disposal of Fixed Asset		1.872.000.000	-
Payment of receivable related parties		-	(15.020.854.246)
Net Cash Flow received from (used in) Investment Activities		(296.005.841.668)	(15.493.763.421)

(Expressed in Rupiah, unless otherwise stated)

	Notes	30 September 2018 (9 month)	30 September 2017 (9 month)
CASH FLOW FROM FUNDING ACTIVITIES			
Deposits received of stock capital		493.971.700.000	-
Proceeds from due to related parties		10.143.327.368	-
Proceeds from mandatory convertible bonds		25.000.000.000	-
Net income from restricted cash		(41.395.436)	96.265.464
Dividends paid		-	(15.000.000.000)
Net Cash Obtained from (Used for) Funding Activities		529.073.631.932	(14.903.734.536)
INCREASING (DECREASING) NETO CASH CASH EQUIVALENTS, BANK OVERDRAFT		249.857.288.616	17.367.512.451
CASH, CASH EQUIVALENTS, BANK OVERDRAFT FIRST PERIOD		17.957.085.553	1.365.797.077
CASH, CASH EQUIVALENTS, BANK OVERDRAFT END PERIOD		**267.814.374.170**	**18.733.309.528**

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

Company Establishment

PT MD Pictures Tbk ("Company") was established in the Republic of Indonesia under the name of PT MD Media based on Notarial Deed No. 5 dated 1 August 2002 from Frans Elsius Muliawan, S.H., Notary in Jakarta. The deed of establishment has been approved by the Minister of Justice of the Republic of Indonesia through Decree No. C-17650.HT.01.01.TH.2002 dated September 13, 2002. The Company's name was changed to PT MD Pictures based on deed No. 3 April 3, 2009 by notary Tahir Kamili, S.H., M.H., M.Kn., and has been approved by the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-18508.AH.01.02.Tahun 2009 dated May 6, 2009. The Company's articles of association have undergone several changes, most recently based on deed No.70 dated
April 13, 2018 from notary Leolin Jayayanti, SH., M.Kn regarding changes in the share nominal value of Rp. 1,000,000 per share to Rp. 100 per share, which was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. . AHU-0008393.AH.01.02.Year 2018 April 13, 2018.

In accordance with article 3 of the articles of association, the Company is engaged in cinema whose business activities include carrying out manufacturing / producing films and videos, conducting film and video trading, circulation of film and video production, becoming agents, distributors, suppliers and suppliers of films and videos from other companies. Domicile and the Company's head office in Jl. Setiabudi Selatan No. 7, Setiabudi, South Jakarta. The company started its commercial business activities since 2003.

PT MD Graha Utama established in the Republic of Indonesia is the parent company of the Company and PT MD Cemerlang Optima Raya Persada established in the Republic of Indonesia is the last parent entity of the Company.

Board of Commissioners, Directors and Employees

The composition of the Board of Commissioners and Directors of the Company as of September 30, 2018 are as follows:

Board of Commisssioners		
President Commissioner	:	Mr. Dhamoo Jethrnal Punjabi
Commissioner	:	Mr. Sanjeva Advani
Independent Commissioner	:	Mr. Bachtiar Effendi
Board of Directors		
President Director	:	Mr. Manoj Dhamoo Punjabi
Director	:	Mrs. Shania Manoj Punjabi
Director	:	Mr. Venkatachari Soundararajan
Independent Director	:	Mr. Sajan Lachmandas Mulani

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL *(Continued)*

Audit of Committee

Chairman	:	Bachtiar Effendi
Member	:	Supardji
Member	:	Mairizal Chaidir

The composition of the Board of Commissioners and Directors of the Company as of December 31, 2017 are as follows:

Board of Commissioners

President Commissioner	:	Mr. Dhamoo Jethrnal Punjabi
Commissioner	:	Mrs. Sunita Dhamoo Punjabi

Board of Directors

President Director	:	Mr. Manoj Dhamoo Punjabi
Director	:	Mrs. Shania Manoj Punjabi
Director	:	Mr. Karan Bagoo Mahtani
Director	:	Mr. Sajan Lachmandas Mulani

As of September 30, 2018 and December 31, 2017, the Company and Subsidiaries (hereinafter collectively referred to as "the Group") employ 31 and 23 permanent employees, respectively (unaudited).

a. Subsidiaries

On February 12, 2018, the Company acquired a 16% interest in PT Studio Tujuh through an increase in PT Studio Tujuh's issued and paid-up capital which was paid by the Company in the amount of Rp.31,252,000,000. Subsequently on February 28, 2018, the Company acquired 84% ownership in PT Studio Tujuh through the purchase of shares from Mr. Dhamoo Jethmal Punjabi,
Ms. Sunita Dhamoo Punjabi, Mr. Manoj Dhamoo Punjabi, Ms. Shania Manoj Punjabi, PT Multi Solusi Studio, PT Wahana Inti Persada, PT MD Studios, PT Raya Optima Persada and PT Wisma Graha Persada Cemerlang, entities under common control, with total acquisition costs of Rp167. 213,000,000.
PT Studio Tujuh is engaged in the production of art houses whose business activities include music and video studio activities, production of soap operas / advertisements, sub-titling, mixing, editing and activities related to business locations in East Jakarta. The Company's ownership in PT Studio Tujuh on February 28, 2018 is 99.9995%.

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL *(Continued)*

The acquisition transaction of PT Studio Tujuh was a business combination of entities under common control because the same last major shareholder between the Company and PT Studio Tujuh. In accordance with PSAK No. 38 (Revised 2012) which requires elements of the financial statements of the restructured company to be presented in such a way as if the company has joined since the beginning of the control, the consolidated financial statements of the Company and its subsidiaries on December 31, 2017 and for the year ended on that date it has been restated (Note 38). The difference between the amount of the consideration transferred amounted to Rp.198,465,000,000 with the combined carrying amount of the business amounting to Rp199,829,338,075 (Note 24) recorded as part of the account "Additional Paid-in Capital" amounting to Rp1,364,338,075 (Note 22) in the component Equity in the consolidated statement of financial position. Control relationships between the Company and PT Studio Tujuh are not temporary.

The summary of PT Studio Tujuh's financial information at the date of acquisition is as follows:

	28 February 2018	31 December 2017
Total Current Assets	3.143.649.847	1.617.268.574
Total Non-Current Assets	197.151.177.417	5.660.363.073
Total asset	200.294.827.264	7.277.631.647
Total Current liabilities	452.016.124	298.232.036
Total Non-Current Liabilities	12.441.000	677.715.000
Total liabilites	464.457.124	975.947.036
Income	352.500.000	2.785.396.968
Net - Profit	239.927.528	793.054.777

b. Completion of the Consolidated Financial Statements

The Management of the Company is responsible for the preparation of these consolidated financial statements that have been approved by the Board of Directors to be published on 30 October 2018.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES

a. Basic Preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with Financial Accounting Standards ("SAK") in Indonesia, which include the Statement of Financial Accounting Standards ("PSAK") and Interpretation of Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Accountants, and Regulation No. VIII.G.7 concerning "Presentation and Disclosures of Issuers' Financial Statements issued by the Financial Services Authority (OJK).

The accounting policies adopted in preparing the consolidated financial statements are in line with the accounting policies adopted in the preparation of the Group's financial statements for the year ended December 31, 2017.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES *(Continued)*

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared on an accrual basis using the acquisition price concept, except for certain accounts which are prepared on the basis of other measurements as described in the accounting policies of each account.

The consolidated statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is Rupiah, which is also the functional currency of the Group.

b. Principles of Consolidation

The consolidated financial statements incorporate all Subsidiaries controlled by the Company. Control is obtained when the Company (investor) is exposed or has rights to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee.

Thus, the investor controls the investee if, and only if, the investor has all of the following:
(a) power over the investee;
(b) exposure or rights to variable returns from his involvement with the investee; and
(c) the ability to use its power over the investee to influence the amount of return on investors.

Consolidation of an investee starts on the date the investor obtains control of the investee and ends when the investor loses control of the investee.

Non-controlling interests reflect the share of profit or loss and net assets that are not attributable to the parent entity and are presented separately in consolidated statements of income and other comprehensive income in the consolidated statements of financial position, separated from equity attributable to the parent entity.

All comprehensive income is attributed to owners of the parent entity and to non-controlling interests even if this results in non-controlling interests having a deficit balance.

Changes in the ownership interest of the parent entity to subsidiaries that do not result in loss of control are recorded as equity transactions, wherein the carrying amount of controlling and non-controlling interests is adjusted to reflect changes in the relative share of the subsidiary. The difference between the number of adjusted non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

All account balances and material transactions between consolidated entities have been eliminated.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES *(Continued)*

c. Restructuring of Entities Under Common Control

The acquisition or transfer of shares between entities under common control is recorded in accordance with PSAK No. 38
(Revised 2012), "Business Combinations of Entities Under Common Control". In PSAK No. 38 (Revised 2012), the transfer of assets, liabilities, shares and other ownership instruments from entities under common control does not result in profit or loss for the company or individual entity in the same group.

Because restructuring transactions of entities under common control do not result in changes in the economic substance of ownership of assets, liabilities, shares or other ownership instruments exchanged, the transferred assets or liabilities are recognized in carrying amounts as a business combination using the pooling-of-interests method.

In applying the pooling of ownership method, the component of the financial statements for the period in which the restructuring occurs and for other periods presented for comparison purposes, is presented in such a way as if the restructuring had occurred from the beginning of the financial reporting period presented. The difference between the investment carrying amount at the effective date and the transfer price is recognized as part of the "Additional Paid-in Capital" account in equity in the consolidated statement of financial position.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank and time deposits that are not used as collateral or are restricted in use.

e. Restricted Cash Usage

Restricted cash in banks and time deposits are presented as "Restricted Use of Cash in Banks." Restricted cash in banks that will be used to pay liabilities due in one year are presented as part of current assets. Bank accounts and other restricted time deposits are presented as non-current assets.

f. Film Asset

The acquisition cost of film assets is the capitalization of costs for producing films and is stated at the lower of the cost less accumulated amortization or fair value. Film assets are charged to cost of sales using the double declining balance method for 4 years starting from the time the film was first aired. Marketing and distribution costs are charged when incurred.

Film assets in progress are stated at cost and presented as part of film assets. The accumulated acquisition cost of the film assets in progress will be transferred to the film assets when the film is finished being produced and ready to be aired.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

At the end of each reporting period, the Group assesses whether there is an indication of impaired film assets by comparing the estimated fair value with the value of unamortized film assets. The Group measures fair value based on management assumptions about market responses to the value of each film asset. The value of film assets that have not been amortized if they have exceeded the estimated fair value, the value is reduced.

g. Prepaid Expenses

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

h. Fixed Asset

Fixed assets, except land, are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the straight line method over the useful life of the asset. The estimated useful life of the asset is as follows:

	Years
Building	20 Year
Office Furniture and Equipment	4 - 8 Year
Vehicle	8 Year
Machine	8 Year
Studio Equipment	4 Year
Shooting Equipment	4 Year

Land is stated based on cost and not depreciated. Based on ISAK No. 25, "Land Rights", stipulates that the cost of legal land rights in the form of Cultivation Rights ("HGU"), Hak Guna Bangunan ("HGB") and Right to Use ("HP") when land is acquired is first recognized as part of the acquisition cost of land in the "Fixed Asset" account and not amortized. While the costs for the legal extension or renewal of land rights in the form of HGU, HGB and HP are recognized as part of the "Deferred Charges" account in the consolidated statement of financial position and amortized to the extent of the legal life and economic life of the land.

Assets in progress are stated at cost and presented as part of "Property, Plant and Equipment" in the consolidated statement of financial position. The accumulated costs will be transferred to the respective fixed asset account when the asset is completed and is ready for use.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

Repair and maintenance expenses are charged to profit or loss when incurred; Significant replacement or inspection costs are capitalized when occurring if it is probable that future economic benefits relating to the asset will flow to the Group, and the cost of the asset can be measured reliably. Assets remain derecognized when released or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition of assets are included in the income statement for the period the assets are derecognized.

i. Investment Property

Investment property is owned property to generate rent or to increase value or both, and not for use in the production or supply of goods and services for administrative purposes, or for sale in daily business activities.

Investment properties are stated at cost including transaction costs less accumulated depreciation and impairment losses, if any.

Building depreciation is computed using the straight-line method with an estimated useful life of 20 years.

Transfers to or from investment properties are made when there is a change in use.

Investment property is derecognized when released or when no future economic benefits are expected from its use or disposal. Profit or loss arising from termination or disposal of investment property is recognized in profit or loss in the period of termination or disposal of said asset.

j. **Decrease in Non-financial Asset Value**

At the end of each reporting period, the Group assesses whether there are indications of assets experiencing impairment. If there are indications, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset or cash-generating unit is the higher of the fair value less the costs of disposal and its use value. If the recoverable amount of an asset is smaller than the carrying amount, the carrying amount of the asset is reduced in value to the amount recovered. Impairment loss is recognized immediately in profit or loss.

Reversal of an impairment loss for a non-financial asset other than goodwill, is recognized if, and only if, there is a change in the estimate used in determining the amount of assets recovered since the test for the decline in the last value is recognized. Reversal of the impairment loss is recognized immediately in profit or loss, unless the asset is presented in the revaluation amount. Impairment losses recognized for goodwill are not reversed.

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

k. Leases

Leases that transfer substantially all the risks and benefits associated with ownership of assets to the lessee are classified as finance leases. Furthermore, leases that do not transfer substantially all the risks and benefits associated with ownership of assets are classified as operating leases.

At the beginning of the lease period, finance leases are capitalized at the fair value of the leased assets or at the present value of minimum lease payments, if the present value is lower than fair value. Minimum lease payments are separated between the part which is the financial burden and the part which is the repayment of the liability so as to produce a constant periodic interest rate on the balance of the liability. Finance charges are charged to profit or loss.

Leased assets owned by a lessee on the basis of a finance lease are recorded in a fixed asset account and depreciated over the useful life of the leased asset or the lease period, whichever is shorter, if there is not sufficient certainty that the lessee will obtain ownership rights at the end of the lease period .

l. Transactions, and Balances in Foreign Currencies

Transactions in foreign currencies are translated into functional currencies at the exchange rate prevailing at the time the transaction is made. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to the functional currency using the middle rate determined by Bank Indonesia at the last date of banking transactions in that period. Profits or losses arising from adjustments in exchange rates and settlement of monetary assets and liabilities in these foreign currencies are credited or charged to current operations.

The exchange rates prevailing on September 30, 2018 and December 31, 2017 are as follows:

	30 September 2018	31 December 2017
1 United of States Dollar (USD)	14.929	13.548

m. Transactions with Related Parties

The group discloses transactions with related parties. A party is considered to be related to the Group if:

- Directly, or indirectly through one or more intermediaries, the party:
  (i) control, be controlled by or are under the joint control of, entities (including the parent, subsidiaries and fellow subsidiaries);
  (ii) has ownership in an entity that has a significant influence on the entity; or
  (iii) have joint control over the entity.
- The party is an associate of the entity;

- The party is a Joint Venture where the entity is a venturer;
- The party is the key management personnel of the entity or its parent entity;
- The party is the immediate family of each person described in (1) or (4);
- The party is an entity that is controlled, jointly controlled or significantly influenced by, or has significant voting rights, directly or indirectly, every person described in (4) or (5); or
- The party is a post-employment benefit program for the benefit of entity workers, or any entity that has a special relationship with that entity.

All significant transactions and balances with related parties are disclosed in the notes to the consolidated financial statements.

n. **Revenue and Expense Recognition**

Revenues are recognized if it is probable that the economic benefits will be obtained by the Group and the amount can be measured reliably.

Revenue from film sales is recognized when the Group has submitted the film to customers and there is sufficient confidence that the receivables from the sale of the film will be billed.

Expenses are recognized when incurred (accrual basis).

o. Income Tax

Current tax expense is determined based on the estimated taxable income for the period.

Income tax in the current period profit and loss consists of current and deferred tax. Income tax is recognized in profit or loss, except for transactions relating to transactions that are recognized directly in equity or other comprehensive income, in this case recognized in equity or other comprehensive income.

Current tax assets and current tax liabilities are offset if, and only if, the entity has legally enforceable rights to offset the recognized amount; and has the intention to settle on a net basis, or realize assets and settle liabilities simultaneously.

Deferred tax assets and liabilities are recognized for temporary differences between assets and liabilities for commercial purposes and for tax purposes every reporting date. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the deductible temporary differences can be used to reduce taxable income in the future. Future tax benefits, such as the balance of unused tax losses, are recognized to the extent that it is probable that the tax benefits will be realized.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

Deferred tax assets and liabilities are measured at the tax rates that are expected to be used in the period when the asset is realized or when the liabilities are settled based on tax rates (and tax regulations) that have been enacted or substantially enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has legal rights to offset current tax assets against current tax liabilities, and deferred tax assets and deferred tax liabilities related to income tax imposed by the taxation authority over taxable entities, the same or different taxable entities that intend to recover current tax assets and liabilities on a net basis, or realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or restored.

Amendments to tax obligations are recognized when the tax assessment is received and / or, if the Group submits an objection and / or appeal, when the decision on the objection and / or appeal has been determined.

p. Employee Benefits

The Group recognizes employee benefits obligations that are not funded in accordance with Labor Law No. 13/2003, March 25, 2003. Pension costs under the Group defined benefit pension plan are determined by periodic actuarial calculations using the projected unit credit method and applying assumptions on discount rates, expected returns on plan assets and annual rate of increase in defined benefit benefits .

All remeasurement consists of actuarial gains and losses and proceeds from program assets (excluding net interest) recognized directly through other comprehensive income with the aim that the net pension assets or liabilities are recognized in the consolidated statement of financial position to reflect the full value of the program deficit and surplus . Remeasurement is not reclassified to profit or loss in the following period.

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

Net interest is calculated using a discount rate on net defined benefit liabilities or assets. Service costs consist of current service costs and past service costs, curtailment gains and losses and irregular settlement, if any. Net interest expense or income, and service fees are recognized in profit or loss.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

q. Financial Instruments

1. Financial Asset

Initial Recognition

Financial assets are initially recognized at fair value plus transaction costs, except for financial assets classified as fair value through profit or loss which are initially measured at fair value. The classification of financial assets includes financial assets determined to be measured at fair value through profit and loss (FVTPL), held to maturity investments (HTM), loans and receivables or available-for-sale financial assets (AFS). The Group determines the classification of its financial assets at initial recognition and, to the extent permissible and necessary, review the classification of those assets at the end of each reporting period.

The Group's financial assets consist of loans and receivables.

Further Measurement

Loans and receivables are non-derivative financial assets with fixed or determined payments, which are not quoted in an active market. These financial assets are measured at amortized cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when loans and receivables are derecognized or impaired, as well as through the amortization process.

Decreasing the Value of Financial Assets

At the end of each reporting period, the Group evaluates whether its financial assets are impaired. If there is objective evidence of impairment, the amount of the loss, measured as the difference between the asset's carrying value and the present value of estimated future cash flows (excluding future credit losses that have not yet occurred) discounted using the effective interest rate calculated at the time of recognition the beginning of the asset is recognized in profit or loss.

Termination of Recognition of Financial Assets

The Group derecognizes financial assets, if and only if, the contractual rights to the cash flows from the financial assets end, or transfers the contractual rights to receive cash flows from financial assets, or retain contractual rights to receive cash flows from financial assets but also bear contractual obligations to pay the cash flows received to one or more recipients through an agreement that meets certain requirements. When the Group transfers financial assets, the Group evaluates the extent to which the Group retains the risks and benefits of ownership of the financial asset.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES *(Continued)*

2. Financial Liabilities

Initial Recognition

The Group determines the classification of its financial liabilities at initial recognition. Debt instruments and equity are classified as financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Financial liabilities are classified as financial liabilities measured at FVTPL, financial liabilities measured at amortized cost, or as derivatives which are designated as hedging instruments in effective hedging, whichever is appropriate. Financial liabilities are initially recognized at fair value and, in the case of financial liabilities measured at amortized cost, including directly attributable transaction costs.

An equity instrument is any contract that gives residual rights to the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds obtained, less the cost of issuing equity instruments.

Compound financial instruments, such as bonds or similar instruments that can be converted by holders into predetermined ordinary shares, are separated between financial liabilities and equity in accordance with the substance of the contractual arrangement. On the date of issuance of compound financial instruments, the fair value of the liability component is estimated using the market rate applicable to similar non-convertible instruments. This amount is recorded as a liability based on the amortized cost using the effective interest method until the liability ends through conversion or on the date the instrument is due. The equity component is determined by subtracting the number of liability components from the overall fair value of compound financial instruments. This amount is recognized and recorded in equity, reduced by income tax, and there is no measurement after initial recognition.

The Group classifies all of its financial liabilities into the category of financial liabilities measured at amortized cost.

Further Measurement

After initial recognition, financial liabilities in this category are subsequently measured at amortized cost using the effective interest rate method. Gains or losses are recognized in profit or loss when the financial liabilities are derecognized or impaired, and through the amortization process.

Termination of Recognition of Financial Liabilities

The Group stops the recognition of financial liabilities if, and only if, the obligations of the Group are released, canceled or expired.

3. Remove Financial Instruments

Financial assets and financial liabilities are mutually offset and the net value is reported in the statement of financial position if, and only if, currently has the legal right to offset the amount that has been recognized and there is an intention to settle it on a net basis, or to realize assets and complete the liability simultaneously.

4. Financial instruments that are measured at amortized cost

Amortized cost is calculated using the effective interest method less allowance for impairment and principal payments or non-collectionable value. The calculation considers the premium or discount at the time of acquisition and includes transaction costs and costs which are an integral part of the effective interest rate.

r. Segment Information

The entity discloses information that enables users of financial statements to evaluate the nature and financial impact of business activities. Operating segments are reported in a manner that is consistent with internal reporting submitted to the operational decision maker.

s. Earning Share

Basic earnings per share is calculated by dividing net income available to the Company's shareholders by the weighted average number of ordinary shares outstanding during the period

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding with the impact of all potential dilutive ordinary shares owned by the Company.

t. Provisions and Contingencies

Provisions are recognized if the Group has current obligations (both legal and constructive) which, as a result of past events, are likely to settle these obligations resulting in resource outflows containing economic benefits and reliable estimates of the amount of the liability that can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the best current estimate. If the outflow of resources to complete an obligation is unlikely to occur, the provision is canceled.

2. SUMMARY OF IMPORTANT IMPACT ACCOUNTING POLICIES (*Continued*)

u. Tax Amnesty Assets and Liabilities

Tax Amnesty Assets and Tax Amnesty Liabilities are recognized when the Tax Amnesty Certificate (SKPP) is issued by the Minister of Finance of the Republic of Indonesia, and is not recognized net (mutually offset). The difference between the Tax Amnesty Asset and Tax Amnesty Liability is recognized as Additional Paid-in Capital.

Tax Amnesty Assets are initially recognized at the agreed value in SKPP. Tax Amnesty Liabilities are initially recognized at the value of cash and cash equivalents that must be paid by the Company in accordance with the contractual obligations for the acquisition of Tax Amnesty Assets.

Ransom paid by the Company to obtain tax amnesty is recognized as an expense in the period in which SKPP was received by the Company.

After initial recognition, the Tax Amnesty Assets and Liabilities are measured in accordance with the relevant SAK in accordance with the classification of each Tax Amnesty Assets and Liabilities.

3. IMPORTANT ESTIMATION AND ACCOUNTING CONSIDERATIONS

The preparation of the consolidated financial statements in accordance with the Financial Accounting Standards in Indonesia requires management to make judgments and estimates that affect the amounts reported in the financial statements. The related estimates and assumptions are based on historical experience and other factors that are considered relevant. The actual results may differ from those estimates.

The following considerations and estimates are made by management in the context of applying the Group's accounting policies that have the most significant influence on the amounts recognized in the consolidated financial statements.:

Classification of Financial Assets and Financial Liabilities

The Group determines the classification of certain assets and liabilities as financial assets and financial liabilities based on the definition stipulated in PSAK No. 55. Analysis of the Group's financial assets and liabilities is disclosed in Note 35.

Assess the recoverable amount of non-financial assets

Allowance for decline in market value and obsolescence of film assets are estimated based on available facts and situations, including but not limited to the physical condition of film assets owned, market selling prices, estimated costs of completion and estimated costs incurred for sale. Provisions are re-evaluated and adjusted if there is additional information that affects the estimated amount. More detailed explanation is disclosed in Note 13.

3. IMPORTANT ESTIMATION AND ACCOUNTING CONSIDERATIONS *(Continued)*

Depreciation of fixed assets and investment property

The acquisition cost of fixed assets and investment property is depreciated using the straight-line method based on their estimated useful lives. Management estimates the useful lives of fixed assets and investment properties between 4 and 20 years. This is the age generally expected in the industry in which the Group conducts its business.

Determining the Value of Film Assets

Film assets are determined at cost less accumulated amortization. The acquisition value is the accumulation of costs related to film production starting from the production process plan to the ready for sale. Film assets are charged from the date of sale through an amortization process for 4 years using the multiple declining balance method at a rate of 50% from the initial book value of the period.

Operating lease contract - The group as a lessor

The Group entered into a commercial property rental agreement on the investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the agreement, that safeguarding all the risks and significant benefits of ownership of the leased property and, the Group recognizes the lease transaction as an operating lease.

Estimated costs and employee benefits liabilities

Determination of liabilities and costs for pensions and Group employee benefit liabilities depends on the selection of assumptions used in calculating these amounts. These assumptions include discount rates, salary increase rates, resignation rates, disability rates, retirement age and mortality rates. Actual results that differ from the assumptions set by the Group are recognized immediately in profit or loss when incurred. While the Group believes that these assumptions are reasonable and appropriate, significant differences in actual results or significant changes in the assumptions set by the Group can materially affect employee benefits liabilities and the net employee benefit costs. More detailed explanation is disclosed in Note 20.

Determining Income Tax

Significant consideration is taken in determining the provision for corporate income tax. There are certain transactions and calculations for which the determination of tax is ultimately uncertain throughout normal business activities. In certain situations, the Group cannot determine the exact amount of their current or future tax liabilities due to the inspection process by the taxation authority. The Group recognizes liabilities for expected corporate income tax based on estimates of whether additional corporate income tax will be due. More detailed explanation is disclosed in Note 7.

(Expressed in Rupiah, unless otherwise stated)

3. IMPORTANT ESTIMATION AND ACCOUNTING CONSIDERATIONS (*Continued*)

Deferred tax assets are recognized if it is probable that taxable income will be available. Significant estimates by management are required in determining the amount of deferred tax assets that can be recognized, based on the time of use and the level of taxable income and future tax planning strategies. However, there is no certainty that the Company and its subsidiaries can generate sufficient taxable income to allow the use of part or all of the deferred tax assets. More detailed explanation is disclosed in Note 7.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	30 September 2018	31 December 2017
Cash		
IDR	10.000.000	5.000.000
USD	-	4.160.200
	10.000.000	9.160.200
Bank		
IDR		
PT Bank Mayapada International Tbk	28.909.345.197	-
PT Bank of India Indonesia Tbk	3.819.350.453	115.513.482
PT Bank Central Asia Tbk	2.287.429.851	334.300.115
PT Bank Bukopin Tbk	22.970.411	23.294.411
PT Bank SBI Indonesia	16.118.224	16.268.981
	35.055.214.136	489.376.989
USD		
PT Bank of India Indonesia Tbk	8.799.001.519	4.475.039.513
PT Bank Shinhan Indonesia	4.685.045.602	-
	13.484.047.121	4.475.039.513
	48.539.261.256	4.964.416.502
Deposito		
IDR		
PT Bank of India Indonesia Tbk	112.000.000.000	-
PT Bank Mayapada International Tbk	50.000.000.000	-
PT Bank SBI Indonesia Tbk	50.000.000.000	-
USD		
PT Bank of India Indonesia Tbk	7.464.500.000	13.301.000.000
	219.464.500.000	13.301.000.000
Total	**268.013.761.256**	**18.274.576.702**

(Expressed in Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS *(Continued)*

The interest rates on time deposits per year are as follows:

	30 September 2018	31 Dcsember 2017
IDR	7,00% - 7,25%	-
USD	1,25%	1,25%

All bank accounts are placed on third parties and there are no balances of cash and cash equivalents that are used as collateral or are restricted in use.

5. ACCOUNT RECEIVABLE

	30 September 2018	31 December 2017
Third Parties		
PT Dee Sukses Indonesia	2.712.132.524	2.545.000.000
PT Transformasi Indonesia	2.067.647.059	1.286.764.706
Building	2.594.533.465	-
PT Graha Layar Prima	2.116.331.602	96.169.580
PT Surya Citra Televisi	1.434.779.412	1.887.794.118
PT Nusantara Sejahtera Raya	1.531.370.194	-
Antenna Entertainment Sdn Bhd	1.567.545.000	-
PT Cinemaxx Global Pacific	1.172.636.127	-
PT Platinum Sinema	1.024.865.201	-
PT Lestari Mitra Sembada	405.381.081	-
PT Pan Mitra Sembada	168.078.455	-
PT Rajawali Citra Televisi Indonesia	142.500.000	368.125.000
PT Duta Cahaya Utama	128.250.000	77.187.500
PT Lia Anugrah Sembada	75.384.430	-
PT Kharisma Maju Abadi	72.209.450	-
PT Intra Mandiri	60.071.572	-
PT Karya Media Jaya Bersama	52.150.500	-
Others under IDR 50.000.000	138.452.812	1.741.136
	17.464.318.884	6.262.782.040
Related Parties		
PT Mox Digital Indonesia	36.519.697.888	2.177.311.470
PT MD Entertainment	467.120.000	1.514.880.369
	36.986.817.888	3.692.191.839
Total	**54.451.136.772**	**9.954.973.879**

(Expressed in Rupiah, unless otherwise stated)

5. ACCOUNT RECEIVABLE *(Continued)*

Details of trade accounts receivable based on currencies are as follows:

	30 September 2018	31 December 2017
IDR	52.883.591.772	8.365.897.703
USD	1.567.545.000	1.589.076.176
Total	**54.451.136.772**	**9.954.973.879**

The details of the age of trade accounts receivable are as follows:

	30 September 2018	31 Desember 2017
Due date yet	28.483.639.895	8.011.721.451
Has maturities but not decreased in value:		
1 - 30 day	2.662.785.787	598.700.000
31 - 60 day	3.183.204.309	355.410.369
more than 61 day	20.121.506.768	989.142.059
Total	**54.451.136.759**	**9.954.973.879**

As of September 30, 2018 and December 31, 2017, the Group's management believes that all trade receivables are collectible, so that no allowance for trade receivables is necessary.

6. OTHERS RECEIVABLES

This account consists of:

	30 September 2018	31 December 2017
Current Assets		
Third Parties		
Employees	68.800.907	56.492.156
Others	81.177.264	-
Related Parties		
PT MD Global Media	225.186.929	-
PT MD Graha Utama	17.955.254	-
Total	**393.120.354**	**56.492.156**

(Expressed in Rupiah, unless otherwise stated)

6. OTHERS RECEIVABLES *(Continued)*

	30 September 2018	31 December 2017
Non-Current Assets		
Related Parties		
PT MD Graha Utama	6.241.588.500	-
PT MD Global Media	11.208.730.346	28.659.698.846
PT MD Entertainment	2.471.052.632	1.405.000.000
Total	**19.921.371.478**	**30.064.698.846**

Transactions of other receivables from related parties above bear interest at 5.25% per annum.

As of September 30, 2018 and December 31, 2017, the Group's management believes that all other receivables are collectible, so that no allowance for other receivables is required.

7. TAXES

a. Prepaid Taxes

	30 September 2018	31 December 2017
Income Tax		
Article 23	7.546.627.937	-
Article 25	6.285.996.999	-
Value Added Tax	1.601.754.879	78.506.168
Total	**15.434.379.815**	**78.506.168**

b. Payable Taxes

	30 September 2018	31 December 2017
Income Tax		
Article 4 paragraph 2	432.914.785	12.253.999
Article 21	215.636.054	64.496.857
Article 23	336.781.908	249.473.387
Article 25	6.258.409.164	9.287.510
Article 26	-	22.301.519
Article 29	28.901.552.095	12.477.794.029
Vale Added Tax	316.348.178	20.250.000
Total	**36.461.642.184**	**12.855.857.301**

(Expressed in Rupiah, unless otherwise stated)

7. TAXES *(Continued)*

c. Current Income Tax

Income current tax expenses consists of:

	30 September 2018 (9 month)	30 September 2017 (9 month)
Corporate	28.901.552.039	8.782.859.069
Subsidiaries	-	-
Total	**28.901.552.039**	**8.782.859.069**

The reconciliation between income before income tax, as presented in the consolidated statement of profit or loss and other comprehensive income, with the estimated taxable income of the Company for the nine months period ended September 30, 2018 and 2017 is as follows:

	30 September 2018 (9 month)	30 September 2017 (9 month)
Profit before income tax according to the consolidated statement of profit or loss and comprehensive income	125.929.680.720	82.658.035.858
Less: profit (loss) before tax of subsidiaries and elimination	(1.278.937.219)	(429.435.967)
Company profit before tax	127.208.617.939	83.087.471.825
Temporary difference	1.523.690.345	(48.327.622.609)
Fixed difference	(13.126.100.129)	371.587.058
Fiscal Adjustment	(11.602.409.784)	(47.956.035.551)
Estimated corporate taxable income	115.606.208.155	35.131.436.274
Current Company income tax expense	**28.901.552.039**	**8.782.859.069**

(Expressed in Rupiah, unless otherwise stated)

7. TAXES *(Continued)*

d. Deferred Tax Assets

	1 January 2018	Credited (Charged) to Profit - Loss	Credited (Charged) to Others Comprehensive Income	30 September 2018
Corporate				
Employees Benefit Liabiliti	230.011.750	53.652.750	168.019.500	451.684.000
Subsidiaries				
Employees Benefit Liabiliti	169.428.750	(164.732.500)	(1.586.000)	3.110.250
Total	**399.440.500**	**(111.079.750)**	**166.433.500**	**454.794.250**

	1 Januari 2017	Credited to Profit - Loss	Credit to Other Comprehensive Income	31 December 2017
Corporate				
Employees Benefit Liabiliti	108.205.500	51.108.750	70.697.500	230.011.750
Subsidiaries				
Employees Benefit Liabiliti	117.602.250	33.589.250	18.237.250	169.428.750
Total	**225.807.750**	**84.698.000**	**88.934.750**	**399.440.500**

Management believes that future taxable profits will be available to recover deferred tax assets.

e. Administration

The Indonesian Taxation Law stipulates that each company calculates, determines and pays for itself the amount of the tax owed.

The tax authorities can conduct an examination of the tax calculation within a period of 5 years. If within the period the tax authorities do not conduct an inspection, the Company's Annual SPT is deemed completed. Other tax obligations, if any, are in accordance with Law.
Taxation Law will be settled by the Company at maturity.

(Expressed in Rupiah, unless otherwise stated)

8. CURRENT ADVANCES

This account consists of:

	30 September 2018	31 December 2017
Sutradara	4.111.347.985	3.084.817.373
Actor-Actress and *crew*	3.780.973.183	2.314.390.244
Operational	680.130.438	354.988.938
Writer	743.898.574	217.956.256
Purchase	350.266.000	-
Others	3.788.883.216	537.415.444
Total	**13.455.499.396**	**6.509.568.255**

9. PREPAID EXPENSES

This account consists of:

	30 September 2018	31 December 2017
Insurance	177.104.847	1.531.934
Others	60.000.000	-
	237.104.847	**1.531.934**

10. CASH IN THE BANK IS LIMITED FOR USE

This account consists of:

	30 September 2018	31 December 2017
PT Bank of India Indonesia Tbk		
Deposito	**241.395.436**	**200.000.000**

The interest rates on time deposits per year are as follows:

	30 September 2018	31 December 2017
IDR	7,00% - 7,25%	7,00%

Restricted funds are deposits placed at PT Bank of India Indonesia Tbk is used as collateral for credit facilities obtained by the Company (Note 14).

(Expressed in Rupiah, unless otherwise stated)

11. FIXED ASSETS

This account consists of:

	Saldo 1 January 2018	Addition	Reduction	Balance 30 September 2018
Acquisition Value				
Direct Ownership				
Land	1.988.476.586	609.676.408.050	-	611.664.884.636
Building	1.074.977.549	45.021.045.449	-	46.096.022.998
Vehicle	-	19.817.063.636	228.727.271	19.588.336.365
Office Furniture and Equipment	871.249.425	22.094.369.982	476.581.250	22.489.038.157
Studio Equipment	710.204.645	-	-	710.204.645
Shooting Equipment	1.149.233.098	-	1.149.233.098	-
Machine	-	22.011.800.000	-	22.011.800.000
Total Acquisition Value	5.794.141.303	718.620.687.117	1.854.541.619	722.560.286.801
Accumulated Depreciation				
Direct Ownership				
Buidling	188.121.070	1.353.425.484	-	1.541.546.554
Vehicle	-	1.391.514.299	13.227.272	1.378.287.027
Office Furniture and Equipment	526.684.014	1.695.762.072	104.318.127	2.118.127.959
Studio Equipment	710.204.645	-	-	710.204.645
Shooting Equipment	146.139.782	71.618.733	217.758.516	-
Machine	-	1.605.027.083	-	1.605.027.083
Total Accumulated Depreciatio	1.571.149.510	6.117.347.672	335.303.915	7.353.193.268
Book Value	**4.222.991.793**			**715.207.093.533**

	Balance 1 January 2017	Additions	Reduction	Balance 31 December 2017
Acquisition Value				
Direct Ownership				
Land	1.988.476.586	-	-	1.988.476.586
Building	1.074.977.549	-	-	1.074.977.549
Vehicle	1.565.136.364	-	1.565.136.364	-
Office Furniture and Equipment	1.063.254.038	298.409.175	490.413.788	871.249.425
Studio Equipment	710.204.645	-	-	710.204.645
Shooting Equipment	8.752.665.170	775.189.791	8.378.621.863	1.149.233.098
Total Acquisition Value	15.154.714.352	1.073.598.966	10.434.172.015	5.794.141.303

(Expressed in Rupiah, unless otherwise stated)

11. FIXED ASSETS *(Continued)*

	Balance 1 January 2017	Additions	Reduction	Balance 31 December 2017
Accumulated Depreciation				
Direct Ownership				
Buidling	134.372.193	53.748.877	-	188.121.070
Vehicle	1.086.506.628	144.142.049	1.230.648.677	-
Office Furniture and Equipment	896.348.702	120.749.100	490.413.788	526.684.014
Studio Equipment	710.204.645	-	-	710.204.645
Shooting Equipment	8.381.617.697	143.039.781	8.378.517.696	146.139.782
Total Accumulated Depreciatio	11.209.049.864	461.679.807	10.099.580.161	1.571.149.510
Book Value	**3.945.664.488**			**4.222.991.793**

The addition of fixed assets in the form of land, buildings and machinery on February 28, 2018 mostly originated from inbreng share transactions conducted by the Company and subsidiaries with entities under common control. The following are the details of the inbreng deed:

a. Deed of Entry into Company No. 19/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 753 / Setiabudi as described in the Date Measure Letter January 9, 2013 No. 00020 / Setiabudi / 2013 covering an area of 179 m2 located in Setiabudi Timur No. 42 Blok T Kav. 521 Persil No. 277 RT. 005/01.
b. Deed of Entry into Company No. 20/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 756 / Setiabudi as described in the Date Measure Letter January 4, 2013 No. 00021 / Setiabudi / 2012 covering an area of 174 m2 located in Setiabudi Timur No. 26 Block T Persil No. 513 RT. 05/01
c. Deed of Entry into Company No. 21/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 760 / Setiabudi as described in the Date Measure Letter December 21, 2012 No. 00019 / Setiabudi / 2012 covering an area of 2,806 m2 which is located in Setiabudi Selatan No. 7 RT. 005/01.
d. Deed of Entry into Company No. 22/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 764 / Setiabudi as described in the Date Measure Letter September 20, 2013 No. 00016 / Setiabudi / 2013 covering an area of 157 m2 located in Setiabudi Timur No. 27 Blok P Persil 252 Kav. 434 RT. 005/01.
e. Deed of Entry into Company No. 23/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 765 / Setiabudi as described in the Date Measure Letter November 10, 2009 No. 00018/2009 covering an area of 40 m2 located in Setiabudi Timur No. 27 Blok P Persil 253 Kav. 434.

***12.* FIXED ASSETS** *(Continued)*

f. Deed of Entry into Company No. 24/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 784 / Setiabudi as described in the Date Measure Letter November 14, 2014 No. 00019 / Setiabudi / 2014 covering an area of 1,189 m2 located in South Setiabudi No. 26 Block T Persil 529 + 530.

g. Deed of Entry into Company No. 25/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 786 / Setiabudi as described in the Measure Letter May 1, 2013 No. 00007 / Setiabudi / 2013 covering an area of 176 m2 located in Setiabudi Timur No. 24 RT. 005/001.

h. Deed of Entry into Company No. 26/2018 dated 28 February 2018 made before Tri Firdaus Akbarsyah, S.H., M.H., where PT MD Graha Utama has included as a participant in the Company in the form of SHGB No. 796 / Setiabudi as described in the Date Measure Letter February 23, 2018 No. 00036 / Setiabudi / 2018 covering an area of 825 m2 located on Jalan Raya Setiabudi Timur Block D, Persil No. 6 (formerly Puri Setiabudi Complex Road).

i. Deed of Entry into Company No. 17/2018 dated 28 February 2018 made before R.M Indiarto Budioso, S.H. where PT MD Studios has included as participation in the Company in the form of SHGB No. 261 / Ceger as described in the Measurement Letter dated November 18, 2010 No. 00066 / Ceger / 2010 covering an area of 805 m2 located on Highway Ceger No. 1, Cipayung, East Jakarta.

j. Deed of Entry into Company No. 18/2018 dated February 28 2018 made before R.M Indiarto Budioso, S.H. where PT MD Studios has included as participation in the Company in the form of SHGB No. 256 / Ceger as described in the Measurement Letter dated November 18, 2010 No. 00066 / Ceger / 2010 covering an area of 3,267 m2 located on Ceger No. 1, Cipayung, East Jakarta.

k. Deed of Entry into Company No. 19/2018 dated February 28 2018 made before R.M Indiarto Budioso, S.H. where PT MD Studios has included as participation in the Company in the form of SHGB No. 268 / Ceger as described in the Measurement Letter dated April 27, 1995 No. 2136/1995 covering an area of 2,000 m2 located on Highway Ceger No. 1, Cipayung, East Jakarta.

l. Deed of Entry into Company No. 20/2018 dated February 28 2018 made before R.M Indiarto Budioso, S.H. where PT Multi Solusi Studio has included as participation in the Company in the form of SHGB No. 255 / Ceger as described in the Date Measure Letter April 30, 2010 No. 00020 / Ceger / 2010 covering an area of 3,273 m2 located on Jalan Ceger No. 1, Cipayung, East Jakarta.

m. Deed of Entry into Company No. 21/2018 dated February 28 2018 made before R.M Indiarto Budioso, S.H. where PT Raya Optima Persada has included as participation in the Company in the form of No. SHGB. 253 / Ceger as described in the Date Measure Letter April 12, 2010 No. 00012 / Ceger / 2010 covering 4,904 m2 located on Jalan Raya Ceger RT. 008 RW. 01, Cipayung, East Jakarta.

n. Deed of Entry into Company No. 22/2018 dated February 28 2018 made before R.M Indiarto Budioso, S.H. where PT Wahana Inti Persada has included as participation in the Company in the form of No. SHGB. 254 / Ceger as described in the Date Measure Letter April 30, 2010 No. 00019 / Ceger / 2010 covering 4,193 m2 located on Ceger No. 1, Cipayung, East Jakarta.**11.**

(Expressed in Rupiah, unless otherwise stated)

12. FIXED ASSET *(Continued)*

o. Deed of Entry into Company No. 23/2018 dated 28 February 2018 made before R.M Indiarto Budioso, S.H. where PT Wisma Graha Persada Cemerlang has included as participation in the Company in the form of SHGB No. 263 / Ceger as described in the Measure Letter dated December 31, 2010 No. 00073 / Ceger / 2010 covering 3,695 m2 located on Jalan Raya Ceger RT 002, RW 01, Cipayung, East Jakarta.

Based on Deed of Sale and Purchase No. 16 of 2018 issued by Notary Yualita Widyadhari, SH., MKn., On February 28, 2018, the Company purchased land and buildings and machinery with SHGB No. 2890 / South Petojo as described in the measurement letter dated November 5, 2014 No. 0037 / Petojo Selatan / 2014 covering an area of 329 m2 at a price of Rp15,500,000,000.

Based on Certificate No. 1,027 / NOT / TFA / IV-2018 dated April 3, 2018, it was made by Tri Firdaus Akbarsyah, SH, MH, Notary in South Jakarta, explaining that against SHGB the land was interconnected and obtained through the above sale and purchase transactions registration process is carried out at the land office.

Additional vehicles on February 28, 2018 based on the Sale and Purchase Agreement No.207 / JB /MDP-MDE / II / 2018 dated February 28, 2018 between the Company and PT MD Entertainment. The fair value of this asset is based on an assessment conducted by an independent appraiser KJPP Firman Suryantoro, Sugeng Suzy Hartomo & Rekan in the amount of Rp20,118,300,000.

The fair value of purchases through inbreng and cash on fixed assets in the form of land, buildings and machinery and investment properties in the form of buildings amounting to Rp.769,916,000,000 on February 28, 2018 was determined based on an assessment conducted by independent appraiser KJPP Firman Suryantoro, Sugeng Suzy Hartomo & Partner in the report dated April 5, 2018 using the cost and income approach.

Depreciation expenses are charged to operating expenses of Rp.6,117,347,672 and Rp.461,679,807 as of September 30, 2018 and December 31, 2017, respectively.

The details of the sale of fixed assets are as follows:

	30 September 2018	**31 December 2017**
Book Value	1.519.237.704	334.591.854
Net Proceeds	1.872.000.000	1.404.999.997
Benefits of Fixed Assets Sales	**352.762.296**	**1.070.408.143**

(Expressed in Rupiah, unless otherwise stated)

12. FIXED ASSETS *(Continued)*

As of September 30, 2018, the Group's fixed assets and investment properties in the form of buildings and fixed assets of vehicles have been insured by several insurance companies, namely PT Kalibesar Raya Utama, PT Asuransi Asoka Mas, PT Sompo Insurance Indonesia, PT Asuransi FPG Indonesia and PT MNC Asuransi Indonesia with total insurance coverage of Rp377,015,913,300 and USD2,000,000. Management believes that the insurance coverage is adequate to cover possible losses from the risk of damage to these assets.

Based on management evaluation, there are no events or changes in circumstances that indicate a decrease in the value of fixed assets.

As of September 30, 2018, the gross carrying amount of property, plant and equipment which has been fully depreciated and is still in use is Rp909,563,645 and there are no fixed assets that have not been used temporarily.

13. INVESTMENT PROPERTY

This account consists of:

	Balance 1 January 2018	Additions	Reduction	Balance 30 September 2018
Value of Building Acquisition	-	122.601.154.551	-	122.601.154.551
Accumulated Depreciation of Building	-	3.575.867.008	-	3.575.867.008
Book Value	**-**			**119.025.287.543**

Buildings in investment property are one unit with buildings in fixed assets. An assessment of the fair value of the building was carried out by an independent appraiser (Note 11).

Based on management evaluation, there are no events or changes in circumstances that indicate a decrease in the value of investment property.

14. FILM ASSET

This account consists of:

	30 September 2018	31 December 2017
Film	**178.261.209.823**	**131.621.230.283**

(Expressed in Rupiah, unless otherwise stated)

13. FILM ASSET *(Continued)*

The mutation of film assets is as follows:

	Balance 1 January 2018	Additions	Reduction	Reclassification	Balance 30 September 2018
Film Acquisition Value	233.135.496.185	-	-	65.469.057.481	298.604.553.666
Assets in the completion of the Film	47.433.401.842	94.984.384.333	-	(65.469.057.481)	76.948.728.694
	280.568.898.027	94.984.384.333	-	-	375.553.282.360
Accumulated Amortization of Film	148.947.667.744	48.344.404.792	-	-	197.292.072.537
Book Value	**131.621.230.283**				**178.261.209.823**

	Balance 1 January 2017	Additions	Reduction	Reclassification	Balance 31 December 2017
Film Acquisition Value	160.346.661.876	-	-	72.788.834.309	233.135.496.185
Assets in the completion of the Film	25.677.972.925	94.544.263.226	-	(72.788.834.309)	47.433.401.842
	186.024.634.801	94.544.263.226	-	-	280.568.898.027
Accumulated amortization of Film	102.607.705.230	46.339.962.514	-	-	148.947.667.744
Book Value	**83.416.929.571**				**131.621.230.283**

Based on the review of the physical condition and realization value of the above film assets at the end of the reporting period, management believes that the net value of film assets can be fully realized, so no allowance for impairment of film assets is required on September 30, 2018 and December 31, 2017.

14. BANK PAYABLE

This account consists of:

	30 September 2018	31 December 2017
PT Bank of India Indonesia Tbk		
Bank Overdraft	**199.387.088**	**317.491.149**

The company has received a credit facility from PT Bank of India Indonesia Tbk with the following details:

Type of facility: Bank Statement
Plafond: Rp1,271,750,000
Payment of Terms: June 18, 2017 to June 18, 2018
Interest rate: 6.9% per year
Guarantee: Time deposits on behalf of PT MD Global Media

(Expressed in Rupiah, unless otherwise stated)

14. BANK PAYABLE *Continued)*

On July 2, 2018, the loan was fully repaid by the Company.

Subsidiary has received a credit facility from PT Bank of India Indonesia Tbk with the following details:

Type of facility	: Bank Statements
Plafond	: IDR 200,000,000
Term of Payment	: August 3, 2017 to August 3, 2018
Interest rate	: 7% per year
Guarantee	: Time deposits in the name of PT Studio Tujuh

On October 25, 2018, the loan has been fully paid by the subsidiary.

15. ACCOUNT PAYABLE

This account consists of:

	30 September 2018	31 December 2017
Third Parties		
CV Cahaya Kreasi	1.470.000.000	-
PT Timeless Rentals Indonesia	134.750.000	-
PT Caturkottaman Wiranaraca Byuha	74.980.000	-
PT Dante Sinema Kaya	396.000.000	-
PT Cakrawala Andalas Televisi	-	540.000.000
PT Bert Lighting Asia	-	220.620.000
Indi Hotel	-	20.340.000
Dimitra	-	10.470.000
Others under IDR10.000.000	-	4.490.635
	2.075.730.000	795.920.635
Related Parties		
MD Entertainment	-	2.916.000.000
PT MDP Cine Media Global	-	648.000.000
Others	-	7.029.400
	-	3.571.029.400
Total	**2.075.730.000**	**4.366.950.035**

(Expressed in Rupiah, unless otherwise stated)

16. ACCRUED COST

This account consists of:

	30 September 2018	31 December 2017
Crew	806.224.000	557.624.000
Actor/Actress	148.989.728	228.989.728
Employee Benefit	117.600.000	-
Salary	85.000.000	-
BPJS Employment	47.884.980	8.768.965
Writer	17.550.000	658.800.000
Insurance	4.853.332	-
Jamsostek	1.779.420	8.319.573
Film Making	-	16.281.716.773
Service charge	-	1.517.324.000
Electricity and water	-	979.619.061
Others	95.449.203	8.364.000
Total	**1.325.330.663**	**20.249.526.100**

16. SELLING DOWN PAYMENT

This account consists of:

	30 September 2018	31 December 2017
Hooq Digital Mauritius Private Ltd	5.734.855.500	-
PT Surya Citra Televisi	775.000.000	1.285.294.118
Rent Building	445.689.642	-
PT Transformasi Indonesia	-	1.000.000.000
PT Mox Digital Indonesia	-	12.770.211.765
Total	**6.955.545.142**	**15.055.505.883**

(Expressed in Rupiah, unless otherwise stated)

17. OTHERS PAYABLE

This account consists of:

	30 September 2018	31 December 2017
PT Agung Rahardja Manunggal Yudha	222.358.432	-
PT The Service Line	209.723.640	-
PT. Berca Schindler Lifts	135.000.000	-
PT IMS Karya Sejati	-	300.000.000
Sanjeva	-	138.960.000
PT Dee Sukses Indonesia	-	94.946.404
Professional Fee	-	75.200.000
Others under Rp50.000.000	251.158.846	-
Total	**818.240.918**	**609.106.404**

18. RELATED PARTIES PAYABLE

This acoount consists of:

	30 September 2018	31 December 2017
PT MD Entertainment	4.781.300.000	-
PT MD Studios	213.400.000	-
PT BIC Global Sinema	37.305.435	-
Total	**5.032.005.435**	**-**

19. EMPLOYEE BENEFITS LIABILITIES

The employee benefits liabilities as of September 30, 2018 and December 31, 2017 is calculated by an independent actuary PT RAS Actuarial Consulting in its report dated October 25, 2018 using the "Projected Unit Credit" method taking into account the following assumptions:

	30 September 2018	31 December 2017
Mortality rate	TMI III	TMI III
Discount rate	8,50%	7,25%
Salary increase rate	7,00%	7,00%
Normal retirement age	55 years old	55 years old

The mutation of the employee benefit liability is as follows:

(Expressed in Rupiah, unless otherwise stated)

20. EMPLOYEE BENEFITS LIABILITIES *(Continued)*

	30 September 2018	31 December 2017
Initial balance of the year	1.597.762.000	903.231.000
Current year expense (profit)	(311.719.000)	338.792.000
Realized payment of benefits	(132.600.000)	-
Other comprehensive income	665.734.000	355.739.000
Year-end Balance	**1.819.177.000**	**1.597.762.000**

Employee benefits (profits) recognized in profit or loss are as follows:

	30 September 2018	31 December 2017
Current service expenses	187.710.000	262.017.000
Interest fee	56.691.000	76.775.000
Outgoing transfer effect	(116.024.000)	-
Past service costs and (profits) losses on settlement	(440.096.000)	-
Total	**(311.719.000)**	**338.792.000**

Quantitative sensitivity analysis of defined benefit obligations for changes in key assumptions is as follows:

	30 September 2018			
	Discount Rate		Salary Increase Rate	
	Percentage	Effect of the Present Value of Post-Employment Benefit Obligation	Percentage	Effect of the Present Value of Post-Employment Benefit Obligation
Increase	1%	(184.880.000)	1%	216.554.000
Reduction	1%	472.447.000	1%	(187.720.000)

	31 December 2017			
	Dicsount Rate		Salary Increase Rate	
	Percentage	Effect of the Present Value of Post-Employment Benefit Obligation	Percentage	Effect of the Present Value of Post-Employment Benefit Obligation
Increase	1%	(96.531.000)	1%	112.860.000
Reduction	1%	114.137.000	1%	(97.219.000)

(Expressed in Rupiah, unless otherwise stated)

20. CAPITAL STOCK

The composition of the Company's shareholders is as follows:

	30 September 2018		
Shareholders	**Total Share Issued and Fully Paid**	**Percentage of Ownership**	**Total**
PT MD Graha Utama	5.944.370.000	62,50%	594.437.000.000
PT MD Global Media	2.140.030.000	22,50%	214.003.000.000
Community (with ownership below 5,00%)	1.426.817.000	15,00%	142.681.700.000
Total	**9.511.217.000**	**100,00%**	**951.121.700.000**

	31 December 2017		
Name of Shareholders	**Shares**	**Percentage of Ownership**	**Total**
PT MD Global Media	10.000	95,24%	10.000.000.000
Mr. Dhamoo Jethmal Punjabi	180	1,71%	180.000.000
Mr. Manoj Dharnoo Punjabi	175	1,67%	175.000.000
Mrs. Sunita Dhamoo Punjabi	75	0,71%	75.000.000
Mrs. Shania Manoj Punjab	70	0,67%	70.000.000
Total	**10.500**	**100,00%**	**10.500.000.000**

Based on the Deed of Minutes of Extraordinary General Meeting of Shareholders of PT MD Pictures Number: 17 dated February 12, 2018, made by Tri Firdaus Akbarsyah, SH, MH, Notary in Jakarta, and has obtained approval from the Minister of Law and Human Rights of the Republic of Indonesia in accordance Decree Number: AHU-0005508.AH.01.02.Year 2018 March 9, 2018, holders The Company's shares have agreed to increase the authorized capital of the Company from Rp.42,000,000,000 to Rp.2,000,000,000,000 and increase the issued and paid-up capital through the issuance of new shares from Rp.10,500,000,000 to Rp808,440,000,000.

(Expressed in Rupiah, unless otherwise stated)

21. ADDITIONAL PAID-IN CAPITAL

This account consists of:

	30 September 2018	31 December 2017
Beginning Balance	100.000.000	100.000.000
Premiun Stock	1.177.000.000	
Premium Stock Initial Public Offering	156.949.870.000	-
Share issuance expenses	(5.906.034.000)	-
Difference restruction transaction with entities under common control (Notes 24)	1.364.338.076	-
	153.685.174.076	**100.000.000**

The share premium balance originates from the difference between the proceeds from the issuance of new Group shares and their nominal value (Notes 11 and 22).

The difference between tax amnesty assets and liabilities is related to the Group's participation in the tax amnesty program (Note 7e).

Difference in value from restructuring transactions of entities under common control in connection with the acquisition of entities under common control (Note 1c).

22. NON-CONTROLLING INTERESTS

	30 September 2018	31 December 2017
Beginning Balance	-	-
Acquisition of subsidiaries	1.032.064	-
Share of net loss	(6.217)	-
Ending Balance	**1.025.847**	**-**

23. PROFORMA OF UNDER COMMON CONTROL OF RESTRUCTURING ENTITIES

The following table is a mutation of the pro forma adjustment of restructuring transactions of entities under common control:

(Expressed in Rupiah, unless otherwise stated)

24. PROFORMA OF UNDER COMMON CONTROL OF RESTRUCTURING ENTITIES *(Continued)*

	30 September 2018	31 Desember 2017
Beginning Balance	6.301.684.609	5.563.341.584
Additions		
Net profit for the current period / year	239.927.531	793.054.775
Other comprehensive income for the current year	4.758.000	(54.711.750)
Premium Stock	162.000.000	-
Increased issued and paid in capital	193.122.000.000	-
Non-controlling interest	(1.032.064)	-
Total	193.527.653.467	738.343.025
Total business recorded combined	199.829.338.076	6.301.684.609
Rewards transferred	(198.465.000.000)	-
Differ in restructuring transaction of the controlling entity (Notes 1c)	1.364.338.076	6.301.684.609
Moved to additional paid-in capital at the date of acquisition (Notes 22)	(1.364.338.076)	-
Ending Balance	**-**	**6.301.684.609**

24. EARNING PER SHARE

	30 September 2018	31 December 2017
Net profit attributable to owners of the parent entity	96.917.048.931	60.880.592.307
Diluted total weighted outstanding shares	6.867.009.991	10.500
Net Profit Basic and Diluted Earnings per Share	**14,11**	**5.798.152**

(Expressed in Rupiah, unless otherwise stated)

25. SELLING

This account consists of:

	30 September 2018 (9 month)	30 September 2017 (9 month)
Film Selling		
Big Screen	159.792.383.360	121.435.822.563
Digital	53.276.970.109	5.913.320.141
Televisi Station	3.457.963.236	9.311.323.531
DVD and VCD	180.000.000	243.750.000
Others	2.091.123.895	546.688.450
	218.798.440.600	137.450.904.685
Rent of Buidling	13.787.320.254	-
Rent of Shooting Equipment	202.500.000	2.027.896.968
Total	**232.788.260.854**	**139.478.801.653**

26. COST OF GOODS SOLD

This account consists of:

	30 September 2018 (9 month)	30 September 2017 (9 month)
Corporate		
Amortization of film assets	48.344.404.792	34.765.056.516
Rent of Building	5.152.391.685	-
Total	**53.496.796.477**	**34.765.056.516**

27. OPERATING EXPENSES

This account consists of:

	30 September 2018 (9 month)	30 September 2017 (9 month)
Selling		
Promotion	18.302.708.034	15.813.567.903
Marketing	-	288.164.408
Sub total	18.302.708.034	16.101.732.311

(Expressed in Rupiah, unless otherwise stated)

28. OPERATING EXPENSES *(Continued)*

	30 September 2018 (9 month)	30 September 2017 (9 month)
General and Administration		
Professional Fee	3.854.443.374	331.024.875
Salaries and allowances	6.459.446.809	3.362.875.898
Decreasing asset	6.117.347.673	217.845.668
Repair and maintenance	4.948.710.542	216.429.711
Depreciation of investment property	3.575.867.008	-
Legal	2.640.415.820	6.636.000
Entertaintment	1.822.599.512	150.546.361
Advertise	1.584.190.000	4.639.175
Final tax expense 4 paragraph 2	1.406.410.363	25.404.119
Property Tax	980.251.038	8.395.300
Management Fee	769.373.000	-
Telephone and Internet	594.671.172	125.002.586
Business Trip	559.278.715	159.649.456
Transportation	535.271.288	149.746.619
Office Supplies	483.340.520	71.387.928
Office equipment and supplies	445.157.850	12.717.010
Jamsostek	394.321.885	30.442.331
Rental	300.381.192	221.993.795
Electricity and water	282.293.764	152.740.635
Taxes	230.191.443	15.046.930
Business Meeting	166.130.450	-
Household Supplies	129.136.912	28.279.283
Donations and gifts	124.564.444	52.107.706
Insurance	81.986.240	7.006.801
Treatment and health insurance	57.128.573	39.621.082
Carriage	21.114.374	-
Membership fee	20.634.101	3.000.000
Vehicle Tax	8.326.700	129.606.920
Post and Courier	9.724.100	54.641.343
Shooting Equipment	-	445.915.000
Employee Benefits	-	254.094.000
Others	150.339.038	13.690.554
Sub total	38.753.047.899	6.290.487.086
Total	**57.055.755.933**	**22.392.219.397**

(Expressed in Rupiah, unless otherwise stated)

28. OTHERS INCOME

	30 September 2018 (9 month)	30 September 2017 (9 month)
Currency Gain	2.093.154.637	-
Interest Income	977.657.893	27.649.098
Employee Benefits	311.719.000	-
Benefits of selling fixed assets	352.762.295	-
Benefits of replacing shooting spareparts	-	362.515.000
Others	608.618	-
Total	**3.735.902.442**	**390.164.098**

29. OTHERS EXPENSES

	30 September 2018 (9 month)	30 September 2017 (9 month)
Bank Adminitstration	32.802.315	27.053.798
Interest	9.127.851	23.583.904
Currency Gain	-	3.016.278
Total	**41.930.166**	**53.653.980**

30. BALANCES, TRANSACTIONS AND NATURE OF RELATIONSHIP OF RELATED PARTIES

a. The nature of the relationship with related parties as:

Entitas	Hubungan	Sifat Transaksi
PT MD Graha Utama	Shareholders	Payable
PT MD Global Media	Shareholders	Account Receivable
PT MD Entertainment	Entities Under Common Control	Payable
PT BIC Global Sinema	Entities Under Common Control	Account Receivable
PT MDP Cine Media Global	Entities Under Common Control	Payable
PT MD Cemerlang Optima Raya	Entities Under Common Control	Account Receivable
PT MD Studios	Entities Under Common Control	Payable
PT Mox Digital Indonesia	Entities Under Common Control	Selling

Entities under common control are entities that have shareholders and / or members of the board of directors and board of commissioners that are the same as the Company or Subsidiary Entities.

(Expressed in Rupiah, unless otherwise stated)

31. BALANCES, TRANSACTIONS AND NATURE OF RELATIONSHIP OF RELATED PARTIES *(Continued)*

b. Account balances with related parties and the percentage of total assets and liabilities are as follows:

	30 September 2018	31 December 2017
Trade Receivable		
PT Mox Digital Indonesia	36.519.697.888	2.177.311.470
PT MD Entertainment	467.120.000	1.514.880.369
	36.986.817.888	**3.692.191.839**
% to total assets	2,67%	0,27%
Others Current Receivable		
PT MD Global Media	225.186.929	-
PT MD Graha Utama	17.955.254	-
	243.142.183	**-**
% to total assets	0,02%	-
Others Non-Current Receivable		
PT MD Graha Utama	6.241.588.500	-
PT MD Global Media	11.208.730.346	28.659.698.846
PT MD Entertainment	2.471.052.632	1.405.000.000
	19.921.371.478	**30.064.698.846**
% to total assets	1,44%	2,17%
Trade Payable		
MD Entertainment	-	2.916.000.000
PT MDP Cine Media Global	-	648.000.000
Others	-	7.029.400
	-	**3.571.029.400**
% to total liabilities	0,00%	6,49%

(Expressed in Rupiah, unless otherwise stated)

31. BALANCES, TRANSACTIONS AND NATURE OF RELATIONSHIP OF RELATED PARTIES (*Continued*)

	30 September 2018	31 December 2017
Payable Related Parties		
PT MD Studios	213.400.000	-
PT BIC Global Sinema	37.305.435	-
PT MD Entertainment	4.781.300.000	-
	5.032.005.435	**-**
% to total liabilities	9,20%	0,00%

Management believes that all receivables from related parties are collectible, so there is no need to provide allowance for impairment.

Related parties debt is a loan obtained without interest and is given without collateral.

Other salaries and rewards given to the Board of Commissioners and Directors (key management) for the nine months period ended September 30 2018 and for the year ending December 31, 2017 are nil.

31. SEGMENT INFORMATION

The segment information below is reported based on information used by management to evaluate the performance of each business segment and in allocating resources. There is no geographical segment because all of the Group's business activities are in Indonesia. All transactions between segments have been eliminated. Consolidated information according to business segments as primary segments is as follows:

	30 September 2018			
	Film	**Rental**	**Elimination**	**Consolidate**
Selling	218.798.440.600	13.989.820.254	-	232.788.260.854
Cost of Sales	(48.344.404.792)	(5.152.391.685)	-	(53.496.796.477)
Gross Profit	170.454.035.808	8.837.428.569	-	179.291.464.377
Trade Expenses	(54.413.522.498)	(2.995.840.435)	-	(57.055.755.933)
Trade Profit	116.040.513.310	5.841.588.134	-	122.235.708.444
Others Income	3.125.592.637	963.916.805	-	3.735.902.442
Others Expenses	(30.041.577)	(11.888.588)	-	(41.930.166)
Profit (loss) before Tax				125.929.680.720
income tax benefits (expenses)				(29.012.631.789)
Profit Before Subsidiaries Profit Impact of Professional Adjustment from Restructuring Transaction of Entities Controlling				96.917.048.931

(Expressed in Rupiah, unless otherwise stated)

32. SEGMENT INFORMATION *(Continued)*

	30 September 2018			
	Film	**Rental**	**Elimination**	**Consolidate**
Subsidiaries profit from the impact of professional adjustment from restructuring transaction of entities controlling				(239.927.531)
Net Profit				96.677.121.401
Others Comprehensive Income				(504.058.500)
Total Current Comprehensive Income				**96.173.062.901**
OTHERS INFORMATION				
Depreciation	(9.060.847.802)	(632.366.878)	-	(9.693.214.680)
CONSOLIDATED FINANCIAL POSITION REPORT				
Segment Assets	1.172.662.867.759	198.595.467.887	-	1.385.098.154.504
SegmentLiabilities	52.007.462.510	448.694.998	-	54.687.058.430

	31 December 2017			
	Film	**Rental**	**Elimination**	**Consolidated**
Selling	150.933.232.930	2.785.396.968	-	153.718.629.898
Cost of Sales	(46.339.962.514)	-	-	(46.339.962.514)
Gross Profit	104.593.270.416	2.785.396.968	-	107.378.667.384
Trade Expenses	27.493.051.681	3.310.716.724	-	30.803.768.405
Trade Profit	77.100.218.735	(525.319.756)	-	76.574.898.979
Others Income	36.684.040	1.433.922.281	-	1.470.606.321
Others Expenses	(48.776.432)	(16.839.178)	-	(65.615.610)
Profit (loss) before Tax				77.979.889.691
income tax benefits (expenses)				(16.306.242.629)
Profit Before Subsidiaries Profit Impact of Professional Adjustment from Restructuring Transaction of Entities Controlling				61.673.647.061
Subsidiaries profit from the impact of professional adjustment from restructuring transaction of entities controlling				(793.054.775)
Net Profit				60.880.592.287
Others Comprehensive Income				(212.092.500)
Total Current Comprehensive Income				**60.668.499.787**
OTHERS INFORMATION				
Depreciation	(89.375.873)	(372.303.934)	-	(461.679.807)
CONSOLIDATED FINANCIAL POSITION REPORT				
Segment Assets	194.106.378.857	7.277.631.647	-	201.384.010.504
Segment Liabilities	54.076.251.837	975.947.036	-	55.052.198.872

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL INSTRUMENT

The following table presents the carrying amounts of financial instruments recorded in the consolidated statement of financial position and the estimated fair value:

	30 September 2018	
	Recorded Value	**Fair Value**
Financial Assets		
Cash and Cash Equivalent	268.013.761.256	268.013.761.256
Trade Receivables	54.451.136.772	54.451.136.772
Other Current Receivables	393.120.354	393.120.354
Other Non Current Receivables	19.921.371.478	19.921.371.478
restricted cash in banks	241.395.436	241.395.436
Total Financial Asset	**343.020.785.297**	**343.020.785.297**
Financial Obligations		
Bank Payable	199.387.088	199.387.088
Trade Payable	2.075.730.000	2.075.730.000
Accrued Cost	1.325.330.663	1.325.330.663
Others Payable	818.240.918	818.240.918
Payable related parties	5.032.005.435	5.032.005.435
Total Financial Obligations	**9.251.307.016**	**9.251.307.016**

	31 December 2017	
	Recorded Value	**Fair Value**
Financial Assets		
Cash and Cash Equivalent	18.274.576.702	18.274.576.702
Trade Receivables	9.954.973.879	9.954.973.879
Other Current Receivables	56.492.156	56.492.156
Other Non Current Receivables	30.064.698.846	30.064.698.846
restricted cash in banks	200.000.000	200.000.000
Total Financial Asset	**58.550.741.583**	**58.550.741.583**
Financial Obligations		
Bank Payable	317.491.149	317.491.149
Trade Payable	4.366.950.035	4.366.950.035
Accrued Cost	20.249.526.100	20.249.526.100
Others Payable	609.106.404	609.106.404
Total Financial Obligations	**25.225.582.539**	**25.225.582.539**

(Expressed in Rupiah, unless otherwise stated)

FINANCIAL RISK MANAGEMENT

The most significant financial risks to the Group are explained below.

a. Credit Risk

Credit risk is a risk where one party to a financial instrument will fail to fulfill its obligations and cause the other party to suffer a financial loss. Credit risk faced by the Group comes from operating activities (mainly from trade receivables to third parties) and from funding activities, including bank accounts and time deposits.

The Group's credit risk exposure is mainly in managing trade accounts receivable. The Group supervises the collectibility of receivables so that collection can be received in a timely manner and also reviews each customer's receivables periodically to assess the potential for billing failures and establish reserves based on the results of the review.

The Group's exposure to credit risk arises from the negligence of other parties, with a maximum exposure of the carrying amount of the Group's financial assets, as follows:

	30 September 2018	31 December 2017
Cash Equivalent	56.003.761.256	18.265.416.502
Trade Receivables	54.451.136.772	9.954.973.879
Others Receivables	20.071.349.649	30.121.191.002
Restricted cash in banks	241.395.436	200.000.000
Total	**130.767.643.113**	**58.541.581.383**

Tidak ada risiko kredit yang signifikan dalam Grup.

b. Liquidity Risk

Liquidity risk is defined as the risk when the Group's cash flow position shows that short-term revenues do not adequately cover short-term expenses.

The Group's liquidity needs have historically arisen from the need to finance investments and capital expenditures related to business expansion programs. The group needs substantial working capital to build new projects and to fund operations.

In managing liquidity risk, the Group monitors and maintains a cash level that is deemed sufficient to finance the Group's operations and to overcome the effects of fluctuations in cash flows. The Group also regularly evaluates cash flow projections and actual cash flows, including their long bank debt maturity schedules, and continues to review the condition of the financial market to maintain funding flexibility by maintaining the availability of credit facility commitments.

(Expressed in Rupiah, unless otherwise stated)

34. FINANCIAL RISK MANAGEMENT *(Continued)*

The following table shows the analysis of the maturity of the Group's financial liabilities:

	30 September 2018					
		Maturities Period				
	Recorded Value	Up to 1 year	1 - 2 year	2 - 3 year	3 - 5 year	More than 5 year
Financial Liabilities						
Bank Payable	199.387.088	199.387.088	-	-	-	-
Trade Payable	2.075.730.000	2.075.730.000	-	-	-	-
Accrued Expenses	1.325.330.663	1.325.330.663	-	-	-	-
Others Payable	818.240.918	818.240.918	-	-	-	-
Payable Related Parties	5.032.005.435	5.032.005.435				
Total Financial Liabilities	**9.450.694.104**	**9.450.694.104**	**-**	**-**	**-**	**-**

	31 December 2017					
		Maturities Period				
	Recorded Value	Up to 1 year	1 - 2 year	2 - 3 year	3 - 5 year	More than 5 year
Financial Liabilities						
Bank Payable	317.491.149	317.491.149	-	-	-	-
Trade Payable	4.366.950.035	4.366.950.035	-	-	-	-
Accrued Expenses	20.249.526.100	20.249.526.100	-	-	-	-
Others Payable	609.106.404	609.106.404	-	-	-	-
Total Financial Liabilities	**25.543.073.688**	**25.543.073.688**	**-**	**-**	**-**	**-**

c. Interest Rate Risk

The Group's exposure to interest rate risk mainly comes from deposits in banks and loan facilities based on floating interest rates. The Group manages this financial risk by monitoring market interest rates.

The Group manages interest rate risk by being very careful in taking out bank loans and limiting them to a reasonable level in accordance with the company's cash flow.

33. IMPORTANT EVENTS AND AGREEMENTS

1. Based on the Minutes of PT MD Pictures' Annual General Meeting of Shareholders on 12 June 2017, the shareholders decided to distribute dividends on the Company's operating profit from the fiscal year ended 31 December 2002 to the financial year ended 31 December 2015 to each Shareholder. The following are the details of dividend distribution made by the Company:
   a. As much as IDR 15,000,000,000 as dividends to be paid to each shareholder according to the percentage share ownership of each shareholder in the Company.
   b. As much as Rp. 1,100,000,000 which constitutes 20% of the capital placed and deposited as a reserve fund to fulfill the provisions of Article 19 of the Company's Articles of Association.
   c. For the remaining operating income, or in the amount of Rp. 192,269,709 the meeting agreed to be included in the Company's cash as additional business capital.

(Expressed in Rupiah, unless otherwise stated)

35. IMPORTANT EVENTS AND AGREEMENTS *(Continued)*

2. Based on the Mandatory Convertible Bond Subscription agreement dated February 14, 2018 between the Company and LVP Investments Holdings Ltd, it was agreed that the Company obtained a loan of Rp25,000,000,000 from LVP Investment Holding Ltd, whereby the repayment of the debt uses the option of conversion to shares at the time of Bid Initial Public Share of the Company with a value of 119,047,000 shares with a nominal value equal to the value of the shares offered in the Initial Public Offering. The funds obtained will be used for the Company's working capital. The loan is not subject to interest. On August 7, 2018, the loan was converted into shares by LVP Investments Holding Ltd.

3. Based on the joint production agreement dated July 23, 2018, it is explained that the Company will conduct film production cooperation with Studio Invictus and XingXing International Investment Limited. The company acts as the film's main producer and film distributor in Indonesia.

4. Based on the film production cooperation agreement on September 10, 2018, it is explained that the Company will conduct a film production collaboration with PT Dapurfilm Production.

36. ADDITIONAL CASH FLOW INFORMATION

Non-Cash activities are as follows:

	2018 (9 month)	2017 (9 month)
Addition of fixed assets through imbreng the Company's shares	457.175.845.449	-
Addition investment property through imbreng Company's shares	122.601.154.551	-
Addition of share capital through imbreng fixed assets and investment property	578.600.000.000	-
Addition of additional paid-in capital in relation to the difference between the fair value of fixed assets and investment property obtained through inbreng with the Company's shares	1.177.000.000	-
Addition of fixed assets through the shares of Subsidiary	162.032.000.000	-
Addition of share capital through conversion of mandatory convertible bonds	25.000.000.000	

37. EVENTS AFTER THE REPORTING PERIOD

Based on the PT Paw Pic Studio Indonesia Limited Liability Company Deed with number 14 dated October 24 2018 issued by notary Tri Firdaus Akbarsyah, SH, MH, it was explained that the Company became the majority shareholder in PT Paw Pic Studio Indonesia with a nominal value of Rp1,500,000. 000 or 60% of the issued and paid-up capital.

(Expressed in Rupiah, unless otherwise stated)

38. RESTORATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Group restated the consolidated financial statements as at 31 December 2017 and for the year ended that date in connection with the acquisition of entities under common control (Note 1c) in accordance with PSAK No. 38 (2012) "Business Combination of Entities Under Common Control" and changes in the basis of preparation of consolidated financial statements that previously used the Financial Accounting Standards for Entities without Public Accountability (SAK ETAP) to become Financial Accounting Standards (SAK) and to be adjusted to applicable capital market regulations with accompanied by changes in presentation and additional disclosures in the consolidated financial statements.

The impact of restatement is as follows:

	Reported Earlier			
	Company's	Subsidiaries Acquisition	Composite	Restated
#				
Consolidated Financial Position Report				
Current Assets				
Cash and Cash Equivalents	18.222.787.587	51.789.115	18.274.576.702	18.274.576.702
Trade Receivable	9.647.446.441	1.514.880.369	11.162.326.810	9.954.973.879
Others Receivable	7.425.000	49.067.156	56.492.156	56.492.156
Prepaid Taxes	78.506.168	-	78.506.168	78.506.168
Advances	6.509.568.255	-	6.509.568.255	6.509.568.255
Prepaid Expenses	-	1.531.934	1.531.934	1.531.934
Non-Current Assets				
Restricted use of cash in banks	-	-	-	200.000.000
Others Receivable	28.659.698.846	1.405.000.000	30.064.698.846	30.064.698.846
Film Assets - neto	155.865.095.107	-	155.865.095.107	131.621.230.283
Deferred Tax Assets	500.442.741	3.885.934.323	4.386.377.064	4.222.991.793
Deferred tax assets	230.011.750	169.428.750	399.440.500	399.440.500
Current Liabilities				
Trade Payable	4.366.950.035	-	4.366.950.035	4.366.950.035
Taxes Payable	12.731.541.287	82.509.884	12.814.051.171	12.855.857.301
Selling Advances	15.979.672.424	-	15.979.672.424	15.055.505.883
Accrued Cost	20.231.816.527	17.709.573	20.249.526.100	20.249.526.100
Others Payable	609.106.404	-	609.106.404	609.106.404
Bank Payable	119.478.570	198.012.579	317.491.149	317.491.149
Non-Current Liabilities				
Employee Benefits Liabilities	920.047.000	677.715.000	1.597.762.000	1.597.762.000
Equity				
Shares Capital	10.500.000.000	500.000.000	11.000.000.000	10.500.000.000
Additional Paid-in Capital	100.000.000	25.000.000	125.000.000	100.000.000
Proforma from restructuring transactions of entities controlling	-	-	-	6.301.684.609
Others Comprehensive Income	221.944.500	(10.983.000)	210.961.500	221.944.500
Retained Earning	168.940.425.140	5.787.667.609	174.728.092.749	129.208.182.534

(Expressed in Rupiah, unless otherwise stated)

38. RESTORATION OF CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Consolidated Income Statement and Other Comprehensive Income				
Selling	151.216.419.330	2.785.396.968	154.001.816.298	153.718.629.898
Cost of Revenue	(54.937.744.802)	-	(54.937.744.802)	(46.339.962.514)
Cost of General and Administration	(9.292.675.771)	(3.310.716.724)	(12.603.392.495)	(30.803.768.406)