Company Registration No. 00538.2011

# PT. Affle Indonesia

Annual Financial Statements
31 March 2020

**PT. Affle Indonesia**

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**PT. Affle Indonesia**

**Statement of comprehensive income**
**For the financial year ended 31 March 2020**

| | Note | 2020<br>IDR ’000 | 2019<br>IDR ’000 |
|---|---|---|---|
| Revenue | 4 | 32,058,680 | 26,515,529 |
| Other income | 5 | 84,925 | 708,933 |
| **Expenses** | | | |
| Depreciation | 9 | 426,653 | 91,376 |
| Allowance for expected credit losses | 11 | 464,777 | 4,843 |
| Business development and marketing expenses | | 2,240,385 | (436,910) |
| Professional fees | | 368,354 | 308,950 |
| Inventory and data cost | | 18,115,439 | 16,047,754 |
| Rental expenses relating to short-term leases | | 225,000 | – |
| Rental expenses | | – | 661,500 |
| Salaries and employee benefits | 6 | 8,182,721 | 6,982,995 |
| Travelling expenses | | 200,097 | 171,653 |
| Finance cost | | 67,228 | 37,905 |
| Other expenses | 7 | 1,917,857 | 286,522 |
| | | 32,208,511 | 24,156,588 |
| **(Loss)/Profit before tax** | | (64,906) | 3,067,874 |
| Income tax expense | 8 | 28,586 | 378,095 |
| **(Loss)/Profit after tax, representing total comprehensive income for the year** | | (93,492) | 2,689,779 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**PT. Affle Indonesia**

**Balance sheet**
**As at 31 March 2020**

| | Note | 2020 IDR ’000 | 2019 IDR ’000 |
|---|---|---|---|
| **Non-current asset** | | | |
| Plant and equipment | 9 | 120,208 | 145,772 |
| Right-of-use assets | 13 | 619,957 | – |
| Deferred tax assets | 8 | 15,098 | – |
| | | 755,263 | 145,772 |
| **Current assets** | | | |
| Trade and other receivables | 10 | 13,829,378 | 8,257,496 |
| Accrued revenue | 4 | 788,120 | 206,001 |
| Prepayments | | 135,997 | 70,594 |
| Cash and cash equivalents | 11 | 2,353,776 | 4,498,508 |
| | | 17,107,271 | 13,032,599 |
| **Total assets** | | 17,862,534 | 13,178,371 |
| **Current liabilities** | | | |
| Trade and other payables | 12 | 13,940,124 | 9,250,483 |
| Lease liability | 13 | 503,347 | – |
| Provision for tax | | (11,004) | 581,333 |
| | | 14,432,467 | 9,831,816 |
| **Net current assets** | | 2,674,804 | 3,200,783 |
| **Non-current liabilities** | | | |
| Lease liability | 13 | 177,004 | – |
| **Total Liabilities** | | 14,609,471 | 9,831,816 |
| **Net assets** | | 3,253,063 | 3,346,555 |
| **Equity** | | | |
| Share capital | 14 | 4,560,000 | 4,560,000 |
| Retained earnings | | (1,306,937) | (1,213,445) |
| **Total equity** | | 3,253,063 | 3,346,555 |
| **Total equity and liabilities** | | 17,862,534 | 13,178,371 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Statement of changes in equity**
**For the financial year ended 31 March 2020**

| | **Share capital (Note 14)** IDR '000 | **Retained earnings** IDR '000 | **Total equity** IDR '000 |
|---|---|---|---|
| **As at 31 March 2019 and 1 April 2019** | 4,560,000 | (1,213,445) | 3,346,555 |
| Profit for the year, representing total comprehensive income for the financial year | – | (93,492) | (93,492) |
| **As at 31 March 2020** | 4,560,000 | (1,306,937) | 3,253,063 |
| | | | |
| **As at 1 April 2018** | 4,560,000 | (3,903,224) | 656,776 |
| Profit for the year, representing total comprehensive income for the financial year | – | 2,689,779 | 2,689,779 |
| **As at 31 March 2019** | 4,560,000 | (1,213,445) | 3,346,555 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**PT. Affle Indonesia**

**Cash flow statement**
**For the financial year ended 31 March 2020**

| | Note | 2020 IDR ’000 | 2019 IDR ’000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| (Loss)/Profit before tax | | (64,906) | 3,067,874 |
| Adjustments for: | | | |
| Interest income | 5 | (84,925) | (140,494) |
| Depreciation of plant and equipment | 9 | 116,675 | 91,376 |
| Depreciation of right-of-use assets | 13 | 309,979 | – |
| Allowance for expected credit losses | 10 | 464,777 | 4,843 |
| Finance cost | | 67,228 | 37,905 |
| Interest expense on lease liabilities | 13 | 25,915 | – |
| Unrealised exchange loss/ (gain) | | (14,154) | – |
| **Operating cash flows before changes in working capital** | | 820,589 | 3,061,504 |
| (Increase)/decrease in accrued revenue | | (582,119) | 204,248 |
| (Increase)/decrease in trade and other receivables | | (6,129,452) | (5,031,292) |
| Increase in prepayments | | (65,405) | (900) |
| (Increase)/decrease in deposits | | 35,021 | (2,000) |
| Decrease in trade and other payables | | 2,907,579 | (96,361) |
| **Net cash flows used in operating activities** | | (3,013,787) | (1,864,801) |
| Interest received | | 84,925 | 140,494 |
| Interest expense paid | | (93,143) | (37,905) |
| **Net cash flows used in operating activities** | | (3,022,005) | (1,762,212) |
| **Cash flows from investing activity** | | | |
| Purchase of plant and equipment | 9 | (91,111) | (74,310) |
| **Net cash flows used in investing activity** | | (91,111) | (74,310) |
| **Cash flows from financing activities** | | | |
| Advances from/(repayment to) immediate holding company | | 1,949,299 | (3,787,639) |
| Advances from related company | | (738,141) | 739,771 |
| Payment of principal portion of lease liabilities | | (249,585) | – |
| **Net cash flows (used in)/generated from financing activities** | | 961,573 | (3,047,868) |
| **Net decrease in cash and cash equivalents** | | (2,151,543) | (4,884,390) |
| Cash and cash equivalents at the beginning of year | | 4,498,508 | 9,382,898 |
| Effect of exchange rate changes on cash and cash equivalents | | 6,811 | – |
| **Cash and cash equivalents at end of year** | 11 | 2,353,776 | 4,498,508 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## 1. Corporate information

PT Affle Indonesia (the "Company") is a limited liability company incorporated and domiciled in Indonesia. The immediate holding company is Affle International Pte Ltd, which is incorporated in Singapore.

The ultimate holding company is Affle Holdings Pte Ltd, incorporated in Singapore. Related companies in these financial statements refer to subsidiaries of Affle Holdings Pte. Ltd.

The principal activity of the Company is rendering service through Mobile Audience as a Service ("MAAS") platform ("the Platform"). The Platform uses cloud based audience algorithms to build, promote and monetize mobile assets for our customers. There have been no significant changes in the nature of these activities during the financial period.

## 2. Summary of significant accounting policies

### *2.1 Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Indonesian Rupiah ("IDR") and all values in the tables are rounded to the nearest thousand (IDR '000), unless otherwise indicated.

### *2.2 Adoption of new and changes in accounting policies*

The Company applied FRS 116 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have any impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

**FRS 116 *Leases***

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019, the first day of its financial year ended 31 March 2020. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

## 2. Summary of significant accounting policies (cont'd)

### 2.2 *Adoption of new and changes in accounting policies* (cont'd)

**FRS 116 *Leases (Cont'd)***

The effect of adoption FRS 116 as at 1 April 2019 is, as follows:

| | IDR '000 |
|---|---|
| Right-of-use assets | 501,471 |
| Deferred tax liabilities | 650 |
| Retained earnings | 169,053 |

The Company has lease contracts for its registered office space. Before adoption of FRS 116, the Company classified the leases (as lessee) at the inception date as an operating lease. Refer to Note 2.12 for the accounting policy prior to 1 April 2019.

Upon adoption of FRS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.12 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review
- Applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 April 2019:

- Right-of -use assets of IDR 491,837,098 were recognised.
- Lease liabilities of IDR 501,471,025 (included in interest bearing loans and borrowings) were recognised.
- Deferred tax liabilities decreased by IDR 650,011 because of the impact of the changes in assets and liabilities; and
- The net effect of these adjustments IDR 169,052.757 had been adjusted to retained earnings. Comparative information is not restated.

## 2. Summary of significant accounting policies (cont'd)

### *2.2 Adoption of new and changes in accounting policies* (cont'd)

**FRS 116 *Leases (Cont'd)***

Leases previously accounted for as operating leases (cont'd)

The lease liabilities as at 1 April 2019 can be reconciled to the operating lease commitments as of 31 March 2019, as follows

| | IDR '000 |
|---|---|
| Operating lease commitments as at 31 March 2019 | 449,500 |
| Average incremental borrowing rate as at 1 April 2019 | 4.76% |
| Discounted operating lease commitments as at 1 April 2019 | 501,471 |
| Less: | |
| Commitments relating to short-term leases | – |
| Commitments relating to leases of low-value assets | – |
| Add: | |
| Commitments relating to leases previously classified as finance lease | – |
| Lease liabilities as at 1 April 2019 | 501,471 |

### *2.3 Standards issued but not yet effective*

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

| ***Description*** | ***Effective for annual periods beginning on or after*** |
|---|---|
| Amendments to References to the Conceptual Framework in FRS Standards | 1 January 2020 |
| Amendments to FRS 103 *Definition of a Business* | 1 January 2020 |
| Amendments to FRS 1 and FRS 8 *Definition of Material* | 1 January 2020 |
| Amendments to FRS 109, FRS 39 and FRS 107 *Interest Rate Benchmark Reform* | 1 January 2020 |
| Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | Date to be determined |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

## 2. Summary of significant accounting policies (cont'd)

### *2.4 Foreign currency*

The financial statements are presented in Indonesian Rupiah, which is also the Company's functional currency. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

### *2.5 Plant and equipment*

Plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers - 3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

## 2. Summary of significant accounting policies (cont'd)

### *2.6 Impairment of non-financial assets*

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### *2.7 Financial instruments*

#### (a) Financial assets

***Initial recognition and measurement***

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

***Subsequent measurement***

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

## 2. Summary of significant accounting policies (cont'd)

### *2.7 Financial instruments (cont'd)*

#### (a) Financial assets (cont'd)

***Subsequent measurement (cont'd)***

Investments in debt instruments (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

***Derecognition***

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

#### (b) Financial liabilities

***Initial recognition and measurement***

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

***Subsequent measurement***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

## 2. Summary of significant accounting policies (cont'd)

### *2.7 Financial instruments (cont'd)*

**(b) Financial liabilities (cont'd)**

***De-recognition***

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### *2.8 Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### *2.9 Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits.

### *2.10 Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 2. Summary of significant accounting policies (cont'd)

### *2.11 Employee benefits*

#### (a) Defined contribution plan

The Company participates in the national pension schemes as defined by the law in Indonesia. The Company makes contributions to the Social Insurance Administration Organisation in Indonesia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

### *2.12 Leases*

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2019:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset of a period of time in exchange for consideration.

**As lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

If ownership of leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, deprivation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

## 2. Summary of significant accounting policies (cont'd)

### 2.12 Leases (cont'd)

#### b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### c) Short-term leases and leases of low-value assets

The Company has exercised the FRS 116 exemption to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 April 2019:

**As lessee**

Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

## 2. Summary of significant accounting policies (cont'd)

### *2.13 Revenue*

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**(a) Development of mobile assets (Enterprise Platform)**

Revenue from the development of mobile assets is recognised by reference to the stage of completion at the end of the reporting period by using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

**(b) Services rendered for mobile assets (Consumer Platform)**

Revenue from services rendered for mobile assets is recognised on accrual basis upon rendering of services based on the terms of the contracts. In terms of contracts, excess/shortfall of revenue over the billed as at the period-end is carried in financial statement as gross amount due from/to customers for contract work-in-progress.

**(c) Interest income**

Interest income is recognised using the effective interest method.

## 2. Summary of significant accounting policies (cont'd)

### *2.14 Taxes*

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2. Summary of significant accounting policies (cont'd)

### *2.14 Taxes (cont'd)*

**(b) Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

### *2.15 Share Capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### *2.16 Contingencies*

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) A present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 10.

The carrying amount of trade receivables at the end of the reporting period is disclosed in Note 10.

#### (b) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

## 4. Revenue

### (a) Disaggregation of revenue

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| Services rendered for mobile assets (Consumer Platform) | 32,058,680 | 26,515,529 |
| Development of mobile assets (Enterprise Platform) | – | – |
| | 32,058,680 | 26,515,529 |
| **Business unit** | | |
| Advertisement Southeast Asia ("SEA") | 29,527,978 | 26,405,805 |
| Vizury/RevX/Shoffr | 2,514,155 | 109,724 |
| Advertisement India | 16,547 | - |
| | 32,058,680 | 26,515,529 |
| **Timing of transfer of goods and services** | | |
| At a point in time | 32,058,680 | 26,515,529 |
| Over time | – | – |

### (b) Contract balances

Information about contract balances is disclosed as follows:

| | **Note** | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|---|
| Receivables from contracts with customers | 10 | 12,470,698 | 6,714,263 |
| Accrued revenue | | 788,120 | 206,001 |

Accrued revenue relates to completed services rendered for mobile assets that has yet to be billed to customers.

## 4. Revenue (cont'd)

### (b) Contract balances (cont'd)

Significant changes in accrued revenue are explained as follows:

| | 2020<br>IDR '000 | 2019<br>IDR '000 |
|---|---|---|
| Accrued revenue reclassified to receivables | 206,001 | – |

The Company has applied the practical expedient not to disclose information about its remaining performance obligation as the contracts have an original expected duration of less than a year.

## 5. Other income

| | 2020<br>IDR '000 | 2019<br>IDR '000 |
|---|---|---|
| Interest income | 84,925 | 140,494 |
| Foreign exchange gain | – | 568,439 |
| | 84,925 | 708,933 |

## 6. Salaries and employee benefits

| | 2020<br>IDR '000 | 2019<br>IDR '000 |
|---|---|---|
| Salaries and bonuses | 7,710,151 | 6,524,393 |
| Defined contribution plan | 247,716 | 193,272 |
| Other short term benefits | 224,854 | 265,330 |
| | 8,182,721 | 6,982,995 |

## 7. Other expenses

| | 2020<br>IDR '000 | 2019<br>IDR '000 |
|---|---|---|
| Communication expenses | 16,759 | 7,878 |
| Miscellaneous expenses | 37,161 | 30,917 |
| Foreign exchange loss | 1,449,823 | – |
| Others | 414,114 | 247,727 |
| | 1,917,857 | 286,522 |

## 8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2020 and 2019 are:

| | **2020** IDR ’000 | **2019** IDR ’000 |
|---|---|---|
| **Statement of comprehensive income** | | |
| Income tax: | | |
| Current income taxation | (49,144) | (575,040) |
| (Under)/overprovision in prior year | (5,460) | 196,945 |
| Income tax expense recognised in profit or loss | (43,684) | (378,095) |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 15,098 | – |
| Income tax expense recognised in profit or loss | 15,098 | – |
| Income tax expense recognised in profit or loss | (28,586) | – |

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2020 and 2019 are as follows:

| | **2020** IDR ’000 | **2019** IDR ’000 |
|---|---|---|
| Loss/(profit) before tax | 64,906 | (3,067,874) |
| Tax calculated at a tax rate of 25% (2019: 25%) | 16,226 | (766,968) |
| Effects of: | | |
| Non-deductible expenses | (128,151) | (54,542) |
| Income not subject to taxation | 21,231 | 189,241 |
| Effect of partial tax exemption | 45,324 | 57,229 |
| (Under)/overprovision in prior year | 5,460 | 196,945 |
| Origination and reversal of temporary differences | (3,774) | – |
| Income tax expense recognised in profit or loss | (43,684) | (378,095) |

## 9. Plant and equipment

| | **Computers** IDR '000 | **Total** IDR '000 |
|---|---|---|
| ***Cost*** | | |
| At 1 April 2018 | 335,030 | 335,030 |
| Additions | 74,310 | 74,310 |
| At 31 March 2019 and 1 April 2019 | 409,340 | 409,340 |
| Additions | 91,111 | 91,111 |
| Write-off | (69,264) | (69,264) |
| At 31 March 2020 | 431,187 | 431,187 |
| ***Accumulated depreciation*** | | |
| At 1 April 2018 | 263,285 | 263,285 |
| Depreciation charge for the year | 283 | 283 |
| At 31 March 2019 and 1 April 2019 | 263,568 | 263,568 |
| Depreciation charge for the year | 116,675 | 116,675 |
| Write-off | (69,264) | (69,264) |
| At 31 March 2020 | 310,979 | 310,979 |
| ***Net carrying amount*** | | |
| At 31 March 2019 | 145,772 | 145,772 |
| At 31 March 2020 | 120,208 | 120,208 |

## 10. Trade and other receivables

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| ***Trade and other receivables (current):*** | | |
| Trade receivables from third parties | 12,940,318 | 6,719,106 |
| Deposits | 75,750 | 112,000 |
| Other receivables | 1,282,930 | 1,431,233 |
| | 14,298,998 | 8,262,339 |
| Allowance for expected credit losses | (469,620) | (4,843) |
| Total trade and other receivables (current) | 13,829,378 | 8,257,496 |
| Add: Cash and cash equivalents (Note 11) | 2,353,776 | 4,498,508 |
| Total financial assets carried at amortized cost | 16,183,154 | 12,756,004 |

## 10. Trade and other receivables (cont'd)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to IDR 9,446,091,000 as at 31 March 2020 that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

| | **2020** |
|---|---|
| | IDR '000 |
| *Trade receivables past due but not impaired:* | |
| Less than 30 days | 2,404,475 |
| 31 to 60 days | 2,292,502 |
| 61 to 90 days | 2,097,849 |
| More than 90 days | 2,651,265 |
| | 9,446,091 |

Allowance for expected credit losses

The movement in allowance for expected credit losses of trade receivables is computed based on lifetime ECL is as follows:

| | **2020** | **2019** |
|---|---|---|
| | IDR '000 | IDR '000 |
| Movement in allowance accounts: | | |
| At 1 April | 4,843 | – |
| Allowance for expected credit losses | 464,777 | 4,843 |
| At 31 March | 469,620 | 4,843 |

## 10. Trade and other receivables (cont'd)

Credit risk exposure on trade receivables using a provision matrix

| **31 March 2020** | | | Days past due | | |
|---|---|---|---|---|---|
| | Current IDR '000 | > 31 to 60 days IDR '000 | > 61 to 90 days IDR '000 | > 90 days IDR '000 | Total IDR '000 |
| Carrying amount of trade receivables | 5,898,702 | 2,292,502 | 2,097,849 | 2,651,265 | 12,940,318 |
| Expected credit loss | 460,515 | – | – | 9,105 | 469,620 |

| **31 March 2019** | | | Days past due | | |
|---|---|---|---|---|---|
| | Current IDR '000 | > 31 to 60 days IDR '000 | > 61 to 90 days IDR '000 | > 90 days IDR '000 | Total IDR '000 |
| Carrying amount of trade receivables | 2,048,258 | 1,867,529 | 620,461 | 2,182,858 | 6,719,106 |
| Expected credit loss | – | – | – | 4,843 | 4,843 |

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

## 11. Cash and cash equivalents

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| Cash at bank | 953,776 | 1,398,508 |
| Short term deposits | 1,400,000 | 3,100,000 |
| | 2,353,776 | 4,498,508 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The effective interest rate as at 31 March 2020 for the Company was 3.40% (2019: 5.05%).

Cash and cash equivalents denominated in foreign currency at 31 March are as follows:

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| United States Dollar | 149,641 | 488,474 |

## 12. Trade and other payables

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| **Current** | | |
| Trade payables: | | |
| Trade payables to third parties | 449,960 | 316,452 |
| Amount due to immediate holding company (trade) | 5,572,765 | 4,430,564 |
| Amount due to related company (trade) | 1,630 | 739,771 |
| | 6,204,355 | 5,486,787 |
| Other payables: | | |
| Amount due to immediate holding company (non-trade) | 964,293 | 157,561 |
| Accruals | 6,852,808 | 3,333,502 |
| Other payables | 98,670 | 272,633 |
| Less: VAT payables | (5,098) | (109,540) |
| Total financial liabilities carried at amortised cost | 13,935,028 | 9,140,943 |

Trade and other payables denominated in foreign currency at 31 March are as follows:

| | **2020** IDR '000 | **2019** IDR '000 |
|---|---|---|
| United States Dollar | 7,486,799 | 867,822 |
| Singapore Dollar | 577,829 | 157,500 |

## 13. Leases

The Company has entered into commercial leases principally for its office premise. These lease terms is 24 months.

**(a) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:**

| | **Office space** IDR '000 |
|---|---|
| At 1 April 2019 | – |
| Adoption of FRS 116 *Leases* | 929,936 |
| Depreciation expense | (309,979) |
| At 31 March 2020 | 619,957 |

## 13. Leases (cont'd)

### (b) Lease liabilities

**Set out below are the carrying amounts of lease liabilities and the movement during the period:**

| | **2020** |
|---|---|
| | IDR '000 |
| As at 1 April | – |
| Adoption of FRS 116 *Leases* | 929,936 |
| Accretion of interest | 25,915 |
| Payments | (275,500) |
| Exchange differences | – |
| As at 31 March | 680,351 |
| Current | 503,347 |
| Non-current | 177,004 |

### (c) The following are the amounts recognised in the profit or loss:

| | **2020** |
|---|---|
| | IDR '000 |
| Depreciation expense of right-of-use assets | 309,979 |
| Interest expense on lease liabilities | 25,915 |
| Deferred tax expense | (15,098) |
| Total amount recognised in profit or loss | 320,796 |

### (d) Total cash outflow

The Company had total cash outflow for leases of IDR 275,500,000 in 2020.

### (e) Extension options

The Company has extension options for the lease contract. However, these options are negotiated by the management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extensions are reasonably certain to be exercised.

## 14. Share capital

| | 2020 No. of shares | 2020 IDR ’000 | 2019 No. of shares | 2019 IDR ’000 |
|---|---|---|---|---|
| **Issued and fully paid ordinary shares** | | | | |
| At 1 April and 31 March | 400,000 | 4,560,000 | 400,000 | 4,560,000 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 15. Related party transactions

### (a) Sales and purchase of services

Other than the related party information disclosed elsewhere in the financial statements, the following are transactions between the Company and related parties during the financial year:

| | 2020 IDR ’000 | 2019 IDR ’000 |
|---|---|---|
| Service received from immediate holding company | 13,752,196 | 9,236,715 |
| Service received from related company | – | 1,695,726 |
| Recharge of manpower cost from immediate holding company | 319,486 | 423,743 |
| Recharge of manpower cost from related company | – | 202,576 |
| Reimbursement expenses from immediate holding company | 487,245 | – |

### (b) Key management personnel compensation

Key management personnel compensation is as follows:

| | 2020 IDR ’000 | 2019 IDR ’000 |
|---|---|---|
| Salaries and bonuses | 2,163,583 | 2,370,147 |
| Defined contribution plan | 76,248 | 75,822 |
| | 2,239,831 | 2,445,969 |

## 16. Commitments

### (a) Operating lease commitments

The Company has entered into commercial leases for its office premises. These leases have an average tenure of one year with renewal option but no contingent rent provision included in the contract. Operating lease payments recognised as an expense in the profit or loss during the financial year ended 31 March 2019 amounting to IDR 661,500,000.

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Future minimum rentals under non-cancellable leases as at 31 March 2019 are as follows:

| | **2019** |
|---|---|
| | IDR '000 |
| Not later than one year | 499,500 |
| Later than one year but not later than five years | – |
| | 499,500 |

As disclosed in Note 2.2, the Company has adopted FRS 116 *Leases* on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020, except for short-term leases.

## 17. Fair value of financial instruments

***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value***

Cash and cash equivalents, trade and other receivable, trade and other payables, amount due to related company/ immediate holding company based on their notional amounts, reasonably approximate their fair value due to their short-term nature. Management has assessed and determined the difference between fair value and carrying value of non-current payables to be not significant.

## 18. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. Throughout the current financial year, the Company did not engage in speculative activities.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

## 18. Financial risk management objectives and policies (cont'd)

### (a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements. No other financial assets carry a significant exposure to credit risk.

Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the outstanding trade and other receivables and cash and cash equivalents as disclosed in Note 10 and 11 respectively.

### (b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

## 18. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

**Analysis of financial instrument by remaining contractual maturities**

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| | **One year or less** IDR '000 | **One year or more** IDR '000 | **Total** IDR '000 |
|---|---|---|---|
| **2020** | | | |
| **Financial assets:** | | | |
| Trade and other receivables | 13,829,378 | – | 13,829,378 |
| Cash and cash equivalents | 2,353,776 | – | 2,353,776 |
| Total undiscounted financial assets | 16,183,154 | – | 16,183,154 |
| **Financial liabilities:** | | | |
| Trade and other payables | 13,940,125 | – | 13,940,125 |
| Lease liabilities | 503,347 | 177,004 | 680,351 |
| Total undiscounted financial liabilities | 14,443,472 | 177,004 | 13,620,476 |
| Total net undiscounted financial assets | 1,739,682 | 177,004 | 1,916,686 |

## 18. Financial risk management objectives and policies (cont'd)

### (b) Liquidity risk (cont'd)

**Analysis of financial instrument by remaining contractual maturities (cont'd)**

| | One year or less<br>IDR '000 | One year or more<br>IDR '000 | Total<br>IDR '000 |
|---|---|---|---|
| **2019** | | | |
| **Financial assets:** | | | |
| Trade and other receivables | 8,257,496 | – | 8,257,496 |
| Cash and cash equivalents | 4,498,508 | – | 4,498,508 |
| Total undiscounted financial assets | 12,756,004 | – | 12,756,004 |
| **Financial liabilities:** | | | |
| Trade and other payables | 9,250,483 | – | 9,250,483 |
| Total undiscounted financial liabilities | 9,250,483 | – | 9,250,483 |
| Total net undiscounted financial assets | 3,505,521 | – | 3,505,521 |

### (c) Foreign currency risk

The Company is exposed to foreign currency risk on sales and expenses that are denominated in other currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD). The Company also holds cash and cash equivalents denominated in foreign currency for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 11.

*Sensitivity analysis for foreign currency risk*

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the USD exchange rates against the Company's functional currency, with all other variables held constant.

| | Increase/(decrease) Profit before tax | |
|---|---|---|
| | **2020**<br>IDR '000 | **2019**<br>IDR '000 |
| USD | | |
| - strengthened 5% | 366,858 | 41,492 |
| - weakened 5% | (366,858) | (41,492) |

## 19. Capital management

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Company relies on its immediate holding company to provide continuing financial support to enable the Company to repay its obligations as and when they fall due. At the end of the reporting period, amounts owing to immediate holding company and related company amounted to IDR 6,537,057,950 (2019: IDR 4,588,125,438) and IDR 1,630,000 (2019: IDR 739,771,089) respectively.

## 20. Events occurring after the reporting period

In late December 2019, an outbreak of a novel strain of coronavirus (“COVID-19”) commenced and continued to spread rapidly globally and was declared a global pandemic in March 2020 by the World Health Organisation. In an effort to contain the spread of COVID-19, many countries around the world, including where the Company operates in regulatory actions have been imposed, including travel restrictions, in-person gatherings, suspensions of public events, business closures, quarantines and lock-downs resulting in deterioration in economic and market conditions in the first half of 2020.

Since early 2020, the COVID-19 outbreak has also resulted in sharp declines and volatilities in global financial markets subsequent to the financial statement date. The financial effects of these events, including possible impairments and fair value changes to the Company’s assets cannot be reliably estimated at this date of the financial statements as the COVID-19 pandemic is still ongoing and rapidly evolving and creates significant challenges to the Company in forecasting the estimated financial effects. Accordingly, no adjustments have been made to the financial statements as at 31 March 2020 for the impacts of COVID-19.