PT Ramayana Lestari Sentosa Tbk

Financial statements as of December 31, 2018
and for the year then ended
with independent auditors' report

PT.Ramayana Lestari Sentosa, Tbk
Jl. K.H. Wahid Hasyim No. 220 A-B Jakarta 10250 Indonesia
Telp. (021) 3914566 - 3151563, 3106653 (Hunting)
Fax. (021) 31934245

BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR
THE FINANCIAL STATEMENTS OF
PT RAMAYANA LESTARI SENTOSA Tbk
AS OF DECEMBER 31, 2018
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

We, the undersigned :

1. Name	: AGUS MAKMUR
Office address	: Jl. K.H. Wahid Hasyim No. 220 A-B, Jak-Pus
Home address / As stated in ID	: Kp. Paragajen RT / RW. 03 / 06, Cisarua - Bogor
Phone number	: (021) 3151563
Title	: President Director
2. Name	: SURYANTO
Office address	: Jl. K.H. Wahid Hasyim No. 220 A-B, Jak-Pus
Home address / As stated in ID	: Jl. Mangga Besar IVL No. 71A, Jak-Bar
Phone number	: (021) 3151563
Title	: Director

Declare that :

1. We are responsible for the preparation and presentation of the Company's financial statements;
2. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the Company's financial statements has been disclosed in a complete and truthful manner;
   b. The Company's financial statements do not contain any incorrect information or material facts, and do not omit material information and facts;
4. We are responsible for the Company's internal control systems .

Thus, this statement is made truthfully.

Jakarta, March 27, 2019

METERAI TEMPEL
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6000
ENAM RIBU RUPIAH

Agus Makmur	Suryanto
President Director	Director

These financial statements are originally issued in the Indonesian language.

PT RAMAYANA LESTARI SENTOSA Tbk
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

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EY
Building a better working world

Purwantono, Sungkoro & Surja

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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. 00308/2.1032/AU.1/05/1561-1/1/III/2019

The Shareholders, Boards of Commissioners and Directors
PT Ramayana Lestari Sentosa Tbk

We have audited the accompanying financial statements of PT Ramayana Lestari Sentosa Tbk, which comprise the statement of financial position as of December 31, 2018, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

This report is originally issued in the Indonesian language.

Independent Auditors' Report (continued)

Report No. 00308/2.1032/AU.1/05/1561-1/1/III/2019 (continued)

Opinion

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

Purwantono, Sungkoro & Surja

Benediktio Salim, CPA
Public Accountant Registration No. AP.1561

March 27, 2019

PT RAMAYANA LESTARI SENTOSA Tbk
STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Notes	December 31, 2018	December 31, 2017
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2,4,26,28	1,950,775	751,901
Time deposits	2,5,26,28	464,656	1,279,068
Accounts receivable	28		
Trade	3		
Third parties	6	16,346	10,046
Others	26		
Related parties	2,23	1,513	16,807
Third parties	6	19,916	30,269
Short-term investments	2,7,28	86,068	127,509
Inventories	2,3,8,18,21	859,767	740,993
Prepaid expenses - net	2	6,878	6,323
Advances		60,990	29,208
Current portion of long-term prepaid rent - net	2,10a 19,23a,24	90,579	101,372
Total Current Assets		**3,557,488**	**3,093,496**
NON-CURRENT ASSETS			
Fixed assets - net	2,3,9,20	1,164,225	1,235,256
Long-term prepaid rent - net of current portion and impairment loss - net	2,10a 19,23a,24	407,822	452,372
Security deposits	2,10b,23b,28	31,706	30,602
Deferred tax assets - net	2,3,12	51,349	58,537
Intangible assets - net	2,3	12,217	14,669
Other non-current assets	2,28	18,240	6,990
Total Non-Current Assets		**1,685,559**	**1,798,426**
TOTAL ASSETS		**5,243,047**	**4,891,922**

PT RAMAYANA LESTARI SENTOSA Tbk
STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

	Notes	December 31, 2018	December 31, 2017
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable - third parties	2,27,28		
Trade	11	909,334	949,543
Others	26	31,468	6,878
Taxes payable	2,3,12	97,100	48,691
Accrued expenses	2,13,27,28	55,193	43,528
Total Current Liabilities		**1,093,095**	**1,048,640**
NON-CURRENT LIABILITY			
Liabilities for employee benefits	2,3,14	322,487	348,937
Total Liabilities		**1,415,582**	**1,397,577**
EQUITY			
Share capital - Rp50 par value per share (full amount) Authorized - 28,000,000,000 shares Issued and fully paid - 7,096,000,000 shares	15	354,800	354,800
Additional paid-in capital - net	2	132,494	132,494
Treasury share - 373,181,100 shares	2,15	(339,861)	(339,861)
Retained earnings:			
Appropriated		70,000	70,000
Unappropriated	16	3,659,800	3,341,608
Other comprehensive loss - net	7,14	(49,768)	(64,696)
Total Equity		**3,827,465**	**3,494,345**
TOTAL LIABILITIES AND EQUITY		**5,243,047**	**4,891,922**

PT RAMAYANA LESTARI SENTOSA Tbk
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

		Year Ended December 31,	
	Notes	**2018**	**2017**
REVENUES	2		
Outright sales	17	4,805,123	4,786,508
Commission on consignment sales	17	934,430	836,220
Total Revenues	17	**5,739,553**	**5,622,728**
COST OF OUTRIGHT SALES	2,8,18	**(3,232,948)**	**(3,410,434)**
GROSS PROFIT		**2,506,605**	**2,212,294**
Selling expenses	2,10a,10b,19 23b,23c,23d,24	(425,171)	(379,456)
General and administrative expenses	2,9,12,14,20,23b	(1,473,612)	(1,476,485)
Other income	2,8,21	18,421	20,432
Other expenses	2,7,8,21	(19,295)	(1)
INCOME FROM OPERATIONS		**606,948**	**376,784**
Finance income	2	134,701	109,525
Tax on finance income		(24,477)	(19,717)
INCOME BEFORE INCOME TAX		**717,172**	**466,592**
Income tax expense - net	2,12	(130,067)	(60,012)
INCOME FOR THE YEAR		**587,105**	**406,580**
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to profit or loss:			
Changes in fair value of available-for-sale financial assets	2	(6,201)	5,380
Related income tax		1,550	(1,345)
Items that will not be reclassified to profit or loss:			
Remeasurement on liabilities for employee benefits	14	26,106	(15,532)
Related income tax		(6,527)	3,884
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR AFTER TAX		**14,928**	**(7,613)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**602,033**	**398,967**
EARNINGS PER SHARE (full amount)	2,22	**87.33**	**60.48**

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

PT RAMAYANA LESTARI SENTOSA Tbk
STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

					Retained Earnings		Other Comprehensive Loss		
	Notes	Share Capital - Issued and Fully Paid	Additional Paid-in Capital - Net	Treasury Shares	Appropriated	Unappropriated	Changes in Fair Value of Available-for-Sale Financial Assets - Net	Remeasurement on Liabilities for Employee Benefits - Net	Total Equity
Balance as of December 31, 2016		**354,800**	**132,494**	**(339,861)**	**70,000**	**3,177,049**	**(10,418)**	**(46,665)**	**3,337,399**
Total comprehensive income for the year		-	-	-	-	406,580	4,035	(11,648)	398,967
Payments of cash dividend	16	-	-	-	-	(242,021)	-	-	(242,021)
Balance as of December 31, 2017		**354,800**	**132,494**	**(339,861)**	**70,000**	**3,341,608**	**(6,383)**	**(58,313)**	**3,494,345**
Total comprehensive income for the year		-	-	-	-	587,105	(4,651)	19,579	602,033
Payments of cash dividend	16	-	-	-	-	(268,913)	-	-	(268,913)
Balance as of December 31, 2018		**354,800**	**132,494**	**(339,861)**	**70,000**	**3,659,800**	**(11,034)**	**(38,734)**	**3,827,465**

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

PT RAMAYANA LESTARI SENTOSA Tbk
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2018
(Expressed in Millions of Rupiah, Unless Otherwise Stated)

		Year Ended December 31,	
	Notes	**2018**	**2017**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sales		8,528,346	8,153,381
Cash payments to suppliers		(7,215,438)	(6,680,906)
Cash payments for salaries and employee welfare		(631,610)	(638,880)
Payments for income taxes		(73,151)	(89,588)
Cash receipts from:			
Finance income - net		109,583	89,095
Other operating activities		69,423	18,477
Net Cash Provided by Operating Activities		**787,153**	**851,579**
CASH FLOWS FROM INVESTING ACTIVITIES			
Withdrawal (placement) of time deposits - net		814,412	(122,212)
Proceeds from sales of short-term investments	7	74,883	-
Proceeds from sales of fixed assets	9	441	992
Additions in intangible assets		(178)	(14,130)
Additions in security deposits		(1,414)	(2,435)
Placement of short-term investments	7	(40,000)	(53,979)
Additions in long-term rent	10a	(59,804)	(129,499)
Additions in fixed assets	9	(107,706)	(140,144)
Net Cash Provided by (Used in) Investing Activities		**680,634**	**(461,407)**
CASH FLOWS FROM FINANCING ACTIVITY			
Payments of cash dividend	16	(268,913)	(242,021)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,198,874**	**148,151**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	751,901	603,750
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**1,950,775**	**751,901**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

1. GENERAL

a. Establishment of the Company

PT Ramayana Lestari Sentosa Tbk (the "Company") was established in Indonesia based on Notarial Deed No. 60 dated December 14, 1983 of R. Muh. Hendarmawan, S.H. The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-5877.HT.01.01.TH.85 dated September 17, 1985 and was published in the Addendum No. 589 of the State Gazette No. 9 dated October 3, 1985. The Company's Articles of Association has been amended several times, the latest amendment regarding the approval from shareholders for the changes the Company's Article of Association to adjust with the regulation of Financial Service Authority ("OJK") of which as notarized under Notarial Deed No. 5 dated September 16, 2015 of Rianto, S.H. The amendment of the Articles of Association has been approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0024968.AH.01.11.Tahun 2016 dated February 25, 2016.

The Company started its commercial operations in 1983. According to Article 3 of the Company's Articles of Association, the Company operates a chain of department stores, which sell various items such as clothes, accessories, bags, shoes, cosmetics and daily needs through the Company's department store and supermarket. In 2018, the Company closed two (2) stores and opened five (5) new stores. As of December 31, 2018 and 2017, the number of stores operated by the Company are as follows:

	December 31, 2018	December 31, 2017
Ramayana	113	107
Robinson	4	7
Cahaya	2	2

On December 31, 2017, the above stores include 22 supermarkets under the SPAR name. As of September 30, 2018, the Company has terminate the agreement with SPAR. All the stores operated by the Company are located in Jakarta, Java (West Java, East Java and Central Java), Sumatera, Bali, Kalimantan, Nusa Tenggara, Sulawesi and Papua. The Company's head office is located in Jl. K.H. Wahid Hasyim No. 220 A-B, Jakarta 10250.

The Company's ultimate shareholder is PT Ramayana Makmursentosa with 58.98% ownership in the Company.

b. Company's Public Offering

On June 26, 1996, the Company received the effective statement from the Chairman of the Capital Market and Financial Institution Supervisory Agency ("BAPEPAM-LK") in its Decision Letter No. 1038/PM/1996 to offer 80 million shares to the public with par value of Rp500 (full amount) per share through the Indonesia Stock Exchange at offering price of Rp3,200 (full amount) per share. Since then, the Company has conducted the following capital transactions:

1. On September 15, 1997, the Company issued bonus shares, whereby each shareholders holding one share was entitled to receive one new share. The outstanding shares became 700,000,000 shares.
2. On June 8, 2000, the Company changed the par value per share from Rp500 (full amount) per share to Rp250 (full amount) per share. The outstanding shares became 1,400,000,000 shares.
3. On June 18, 2004, the Company changed the par value per share from Rp250 (full amount) per share to Rp50 (full amount) per share. The outstanding shares became 7,000,000,000 shares.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

1. GENERAL (continued)

b. Company's Public Offering (continued)

Since then, the Company has conducted the following capital transactions: (continued)

4. On July 4, 2005, the Company issued 32,000,000 shares in connection with the exercise of share options by the employees (ESOP). The outstanding shares became 7,032,000,000 shares.
5. On October 2, 2006, the Company issued 32,000,000 shares in connection with the exercise of share options by the employees (ESOP). The outstanding shares became 7,064,000,000 shares.
6. On July 28, 2010, the Company issued 32,000,000 shares in connection with the exercise of share options by the employees (ESOP). The outstanding shares became 7,096,000,000 shares.
7. Starting on August 25, 2015 until December 31, 2015, the Company has purchased 208,332,000 treasury shares. The outstanding shares became 6,887,668,000 shares.
8. During 2016, the Company has purchased 164,849,100 treasury shares. The outstanding shares became 6,722,818,900 shares.

The Company has listed all of its shares in the Indonesia Stock Exchange.

c. Boards of Commissioners and Directors, Audit Committee and Employees

As of December 31, 2018, the composition of the Company's Boards of Commissioners and Directors are as follows:

Board of Commissioners		Board of Directors	
Paulus Tumewu	- President Commissioner	Agus Makmur	- President Director
Mohammad Iqbal	- Commissioner	Jane Melinda Tumewu	- Vice President Director
Kismanto	- Commissioner	Suryanto	- Director
Koh Boon Kim	- Independent Commissioner	Gantang Nitipranatio	- Director
Selamat	- Independent Commissioner	Muhamad Yani	- Director
		Halomoan Hutabarat	- Director

As of December 31, 2017, the composition of the Company's Boards of Commissioners and Directors are as follows:

Board of Commissioners		Board of Directors	
Paulus Tumewu	- President Commissioner	Agus Makmur	- President Director
Mohammad Iqbal	- Commissioner	Suryanto	- Director
Kismanto	- Commissioner	Gantang Nitipranatio	- Director
Koh Boon Kim	- Independent Commissioner	Muhamad Yani	- Director
Selamat	- Independent Commissioner	Halomoan Hutabarat	- Director

1. GENERAL (continued)

c. Boards of Commissioners and Directors, Audit Committee and Employees (continued)

As of December 31, 2018, the composition of the Audit Committee are as follows:

Chairman:	- Selamat
Members:	- Ruddy Hermawan Wongso
	- Andreas Lesmana

As of December 31, 2017, the composition of the Audit Committee are as follows:

Chairman:	- Selamat
Members:	- Ruddy Hermawan Wongso
	- Tonang Sendjaja

The establishment of the Company's Audit Committee has complied with OJK Rule No. IX.I.5.

The Company's key management consists of Boards of Commissioners and Directors.

As of December 31, 2018 and 2017, the Company has 7,734 and 9,352 employees, respectively (unaudited).

The Company's financial statements were completed and authorized for issuance by the Company's Board of Directors on March 27, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance and Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants and the Regulations and Guidelines on Financial Statement Presentation and Disclosures issued by OJK.

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards ("PSAK") 1, "Presentation of Financial Statements".

The financial statements have been prepared on accrual basis and using the historical cost basis except as otherwise disclosed in the related notes herein.

The statement of cash flows present receipts and disbursements of cash and cash equivalents classified into operating, investing and financing activities, where the cash flows from operating activities are presented using the direct method.

The financial reporting period of the Company is January 1 - December 31.

The accounts included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Rupiah which is the functional currency of the Company.

All amounts in the financial statements are rounded to and presented in millions of Rupiah, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and Cash Equivalents

Cash and cash equivalents represent cash on hand and in banks and time deposits with maturities of three (3) months or less at the time of placement, not pledged as collateral for loans and without restrictions in the usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and in banks and time deposits as defined above, net of outstanding overdraft, if any.

c. Transactions with Related Parties

The Company has transactions with related parties as defined in PSAK 7.

Transactions with related parties are made based on terms agreed by the parties, which may not be the same as those of the transaction between unrelated parties.

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

d. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by moving-average method which includes all costs that occur to get this inventories to the location and current conditions. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

The Company provides allowance for obsolescence and/or decline in values of inventories based on periodic reviews of the physical condition and net realizable values of the inventories.

e. Fixed Assets

All fixed assets are initially recognized at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, fixed assets are carried at cost less any subsequent accumulated depreciation and impairment losses.

Depreciation of an asset starts when it is available for use and is computed using the straight-line method based on the estimated useful lives of the assets:

	Years
Buildings	10 - 20
Building renovations and improvements	4 - 8
Store equipment	4 - 8
Transportation equipment	4
Office equipment	4 - 8

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Fixed Assets (continued)

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

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Lands are stated at cost and not depreciated.

Legal cost of land rights in the form of Business Usage Rights ("*Hak Guna Usaha*" or "HGU"), Building Usage Right ("*Hak Guna Bangunan*" or "HGB") and Usage Rights ("*Hak Pakai*" or "HP") when the land was acquired initially are recognized as part of the cost of the land under the "Fixed Assets" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights in the form of HGU, HGB and HP were recognized as part of "Deferred Charges" account in the statement of financial position and were amortized over the shorter of the rights' legal life and land's economic life.

Repairs and maintenance are taken to the profit or loss when these are incurred. The cost of major renovation and restoration is included in the carrying amount of the related fixed asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company, and is depreciated over the remaining useful life of the related asset.

<u>Construction in Progress</u>

Construction in progress is stated at cost and presented as part of the fixed assets. The accumulated costs will be reclassified to the appropriate fixed assets account when construction is substantially completed and the asset is ready for its intended use. Assets under construction are not depreciated as these are not yet available for use.

f. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of application development, system development and computer software, include all direct costs related to preparation of the assets for their intended use, amortized using the straight-line method over 4 (four) years.

At each reporting date, the useful lives and amortization method are reviewed by the management of the Company, and adjusted prospectively, if appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. 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, the Company estimates the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss is recognized. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss and other comprehensive income.

h. Leases

The Company adopted PSAK 30, "Lease", when a lease includes both land and building elements, an entity should assess the classification of each element separately whether as a finance or an operating lease.

The Company classifies leases based on the extent to which risks and rewards incidental to the ownership of a leased asset are vested upon the lessor or the lessee, and the substance of the transaction rather than the form of the contract.

Finance Lease - as Lessee

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the leased assets. Such leases are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance cost are charged directly to the current year operation.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the leased asset is depreciated over the estimated useful lives of the assets. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term. Any excess of sales proceeds over the carrying amount of an asset in a sale-and-leaseback transaction is deferred and amortized over the lease term.

Operating Lease - as Lessee

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the leased asset. Accordingly, the related lease payments are recognized in profit or loss on a straight-line basis over the lease term.

Operating Lease - as Lessor

Leases where the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Prepaid Expenses

Prepaid rent is amortized using the straight-line method over the rental period. The current portion of the prepaid rent to be charged to operation within one (1) year is presented as “Current Portion of Long-term Prepaid Rent - Net” account in the statement of financial position.

On the other hand, the long-term portion of prepaid rent is presented as “Long-term Prepaid Rent - Net of Current Portion and Impairment Loss - Net” account in the statement of financial position.

j. Financial Instruments

Financial Assets

The Company’s financial assets include cash and cash equivalents, time deposits, accounts receivable - trade, accounts receivable - others, security deposits and other non-current assets, which are classified as loans and receivables, and short-term investments, which are classified as available-for-sale financial assets. Financial assets are initially recognized at fair value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment, if any. The losses arising from impairment are recognized in the statement of profit or loss and other comprehensive income.

Available-for-sale (“AFS”) financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or those that are not classified as financial assets at fair value through statement of profit or loss and other comprehensive income, loans and receivables or held-to-maturity investments. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized in equity in the statement of financial position until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in equity shall be reclassified to profit or loss as a reclassification adjustment.

Impairment of financial assets

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

Trade receivables are carried at original invoice amount net of allowance for impairment loss, if any. An estimate of allowance for impairment loss is made when there is objective evidence (such as probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect the receivables under the original terms of the invoice and is established through provisions charged to income. The outstanding balance of trade receivables is derecognized and written off against the allowance for impairment loss when assessed to be uncollectible.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Financial Instruments (continued)

Financial Assets (continued)

Impairment of financial assets (continued)

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

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

Financial Liabilities

The Company's financial liabilities include trade payables, other payables and accrued expenses and are initially recognized at fair value, inclusive of directly attributable transaction costs.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized as well as through the effective interest method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortization is included in finance costs in the statement of profit or loss and other comprehensive income.

Derecognition of Financial Assets and Liabilities

Financial Assets

A financial asset is derecognized when (i) the rights to receive cash flows from the asset expired, or (ii) the Company transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, or (iii) the Company have transferred substantially all the risks and rewards of the asset, or have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred the control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Financial Instruments (continued)

Derecognition of Financial Assets and Liabilities (continued)

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

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

Offsetting of Financial Instruments

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

k. Employee Benefits

The cost of providing benefits under the defined benefits plan is determined using the Projected Unit Credit method.

Re-measurements of the net defined benefit liability (asset), which are recognized as other comprehensive income, consists of:
i. Actuarial gains and losses;
ii. The return on plan assets, excluding the amounts included in net interest on the net defined benefit liability (asset); and
iii. Any change in the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability (asset).

Re-measurements of the net defined benefit liability (asset) recognized in other comprehensive income will not be reclassified to profit or loss in the next periods. Past service costs are recognized in profit or loss at the earlier of:
i. The date of the plan amendment or curtailment; and
ii. The date that the Company recognizes related restructuring costs.

Net interest is calculated by applying discount rate to the net defined benefit liability (asset). The Company recognizes the following changes in the net defined benefit obligation under “General and Administrative Expenses” in the statement of profit or loss and other comprehensive income:
i. Service costs comprising current service costs, past-service costs and gains and losses on curtailments; and
ii. Net interest expense or income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Employee Benefits (continued)

A curtailment occurs when an entity either:

i. Is demonstrably committed to make a significant reduction in the number of employees covered by a plan; or
ii. Amends the terms of a defined benefit plan so that a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

A settlement occurs when the Company enters into a transaction that eliminates all further legal or constructive obligation for part or all of the benefits provided under a defined benefit plan.

l. Additional Paid-in Capital - Net

Additional paid-in capital - net represents the difference between the offering price and the par value of share capital, net of share issuance costs and additional paid-in capital in relation with tax amnesty program.

m. Foreign Currency Transactions and Balances

The Company considers the primary indicators and other indicators in determining its functional currency, if indicators are mixed and the functional currency is not obvious, management uses its judgements to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are recorded in Rupiah amounts at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in foreign currency are adjusted to Rupiah by taking the average of transaction exchange rate by Bank Indonesia as of December 31, 2018 and 2017. Resulting gains or losses are credited or charged to operations of the current year.

As of December 31, 2018 and 2017, the exchange rates used are as follows (full amount):

	December 31, 2018	December 31, 2017
United States Dollar	14,481	13,548
Singapore Dollar	10,603	10,134

n. Recognition of Revenues and Expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales is recognized when goods are delivered to customers net of returns and discounts allowed. Revenue from services is recognized when services are rendered to customers. Net revenue represent sales of products, including the amortization of deferred income from the contract for promotional activities, net of returns and discounts allowed. Revenues from outright and consignment sales are recognized when the goods are sold at the sales counter. Commission on consignment sales are recognized as the amount of the sales of consignment goods to customers less the related costs, which are recognized as amount due to consignors.

Expenses are recognized as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Taxation

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46.

The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset, except for certain asset such as land, which realization is taxed with final tax on gross value of transaction.

Current Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

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

Underpayment/overpayment of income tax are presented as part of “Income Tax Expense - Current” in the statements of profit or loss and other comprehensive income. The Company also presented interest/penalty, if any, as part of “Income Tax Expense - Current”.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred Tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset 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 the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated.

q. Earnings per Share ("EPS")

Earnings per share is computed based on the weighted average number of issued and fully paid shares during the year.

The weighted-average number of shares outstanding for 2018 and 2017 are 6,722,818,900 shares, respectively.

r. Treasury Shares

Repurchase of equity instruments (treasury shares) are recognized at reacquisition cost and deducted from equity. No gain or loss is recognized in profit or loss on the acquisition, resale, issuance or cancellation of the Company's equity instrument. The difference between the carrying amount and the consideration, if reissued, is recognized as part of additional paid-in capital in the equity.

s. Provisions

Provisions are recognized when the Company have a present obligation (legal or constructive) where, 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 a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

t. Accounting Standards Issued but not yet Effective

The following are several issued accounting standards by the Indonesian Financial Accounting Standards Board ("DSAK") that are considered relevant to the financial reporting of the Company but not yet effective for 2018 financial statements:

i. PSAK 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with earlier application is permitted.

   This PSAK provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Accounting Standards Issued but not yet Effective (continued)

The following are several issued accounting standards by the Indonesian Financial Accounting Standards Board ("DSAK") that are considered relevant to the financial reporting of the Company but not yet effective for 2018 financial statements: (continued)

ii. PSAK 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective January 1, 2020 with earlier application is permitted.

This PSAK is a single standards that a joint project between the International Accounting Standards Board ("IASB") and the Financial Accounting Standards Board ("FASB"), provides revenue recognition from contracts with customers, and the entity is expected to have analizing before recognizing the revenue.

iii. PSAK 73: Leases, adopted from IFRS 16, effective January 1, 2020 with earlier application is permitted, but not before an entity applies PSAK 72: Revenue from Contracts with Customers

This PSAK establish the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

At the issuance of these financial statements, the Company is still evaluating the potential impact of these new and revised standards to the Company's financial statements.

3. SOURCE OF ESTIMATION UNCERTAINTY

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

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the Company's financial statements:

<u>Leases</u>

The Company has several leases whereas the Company act as lessee in respect of rental of land and spaces for warehouses and stores. The Company evaluates whether significant risks and rewards of ownership of the leased assets are transferred based on PSAK 30, "Leases", which requires the Company to make judgment and estimates of the transfer of risks and rewards related to the ownership of asset. Based on the review performed by the Company for the current rental agreement, accordingly, the rent transactions were classified as operating lease.

3. SOURCE OF ESTIMATION UNCERTAINTY (continued)

Judgments (continued)

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the Company's financial statements: (continued)

Leases (continued)

The Company entered into agreement where the Company acts as lessor to rent space at the stores. The Company has determined, based on evaluating term and condition of agreements, that all risks and rewards of ownership of the rented space at the store are not transferred, accordingly the Company records the rent transaction as operating lease.

Determination of Functional Currency

The Company's functional currency is the currency from the primary economic environment where the Company conducts business. The functional currency is the currency that has impact on revenue and expenses from product given.

Classification of Financial Assets and Financial Liabilities

The Company determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2j.

Allowance for Impairment of Trade Receivables

The Company evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgment, based on the best available facts and circumstances, including but not limited to the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables.

These specific allowance are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivable. As of December 31, 2018 and 2017, the Company's management believes that all trade receivables are collectible and therefore no allowance for impairment loss is needed. Further details on trade receivables are disclosed in Note 6.

3. SOURCE OF ESTIMATION UNCERTAINTY (continued)

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on parameters available when the Company's financial statements were prepared. Existing circumstances and assumptions about future developments 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.

Impairment of Non-financial Assets

An impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks to the asset.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators. The value in use calculation is based on a discounted cash flow model. The future cash flow projection is for a period of ten years and does not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Management believes that there is no event or change in circumstances that may indicate any impairment in the value of its non-financial assets as of December 31, 2018 and 2017.

Employee Benefits

The measurement of the Company's obligations and cost for pension and liabilities for employee benefits is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the financial position through other comprehensive income the period in which they occur.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experiences or significant changes in the Company's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. Further details on employee benefits are disclosed in Note 14.

3. SOURCE OF ESTIMATION UNCERTAINTY (continued)

Estimates and Assumptions (continued)

Depreciation of Fixed Assets and Amortization of Intangible Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 4 to 20 years. These are common life expectancies applied in the industry where the Company conducts its business. Further details are disclosed in Note 9.

The costs of intangible asset are amortized on a straight-line basis over their estimated useful lives within 4 years. These are common life expectancies applied in the industry where the Company conducts its business.

Income Tax

The Company recognizes liabilities for corporate income tax based on estimation of whether additional corporate income tax will be due. Further details are disclosed in Note 12.

Deferred Tax Assets

The Company reviews the carrying amounts of deferred tax assets at the end of each reporting period and reduces these to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized.

The Company's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the level and timing of forecasted taxable income of the subsequent reporting periods. This forecast is based on the Company's past results and future expectations on revenues and expenses as well as future tax planning strategies. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of the deferred tax assets to be utilized. Further details are disclosed in Note 12.

Allowance for Obsolescence and Decline in Value of Inventories

Allowance for obsolescence and decline in value of inventories is estimated based on the best available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices and estimated costs to sell. The allowance are re-evaluated and adjusted as additional information received affects the amount estimated. Further details are disclosed in Note 8.

Uncertain Tax Exposure

In certain circumstances, the Company may not able to determine the exact amount of current or future tax liabilities due to possibility of examination by the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK 57, “Provisions, Contingent Liabilities and Contingent Assets”. The Company analyzes all tax positions related to income taxes to determine if a tax liability for unrecognized tax expense should be recognized.

Financial Instruments

The Company records certain financial assets and liabilities at fair values, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Company utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly to the Company's profit or loss.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	December 31, 2018	December 31, 2017
Cash on hand	22,884	23,646
Cash in banks - third parties:		
Rupiah		
PT Bank Negara Indonesia (Persero) Tbk	88,957	138,845
PT Bank Central Asia Tbk	77,362	42,837
Standard Chartered Bank Indonesia	77,056	-
Citibank, N.A., Indonesia Branch	34,725	49,253
PT Bank Danamon Indonesia Tbk	34,480	202,883
PT Bank Mandiri (Persero) Tbk	16,243	17,854
PT Bank CIMB Niaga Tbk	13,152	1,193
PT Bank Rakyat Indonesia (Persero) Tbk	10,447	10,144
PT Bank Maybank Indonesia Tbk	3,627	442
PT Bank DKI	2,786	2,051
Deutsche Bank AG, Jakarta Branch	155	8,652
PT Bank Permata Tbk	-	12
United States Dollar		
Deutsche Bank AG, Jakarta Branch (US$213,253 as of December 31, 2018 and 2017)	3,088	2,889
Sub-total	362,078	477,055
Cash equivalents (time deposits and on call deposits) - third parties:		
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	674,400	-
PT Bank UOB Indonesia	247,800	-
PT Bank Maybank Indonesia Tbk	209,500	110,400
PT Bank Danamon Indonesia Tbk	181,400	-
PT Bank Central Asia Tbk	39,325	22,800
PT Bank DKI	30,000	50,000
PT Bank Negara Indonesia (Persero) Tbk	26,000	63,200
PT Bank CIMB Niaga Tbk	15,000	-
Citibank, N.A., Indonesia Branch	4,000	4,800
United States Dollar		
Credit Suisse AG, Singapore Branch (US$5,178,337 as of December 31, 2018)	74,988	-
UBS AG, Singapore Branch (US$4,378,127 as of December 31, 2018)	63,400	-
Sub-total	1,565,813	251,200
Total	**1,950,775**	**751,901**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

4. CASH AND CASH EQUIVALENTS (continued)

The annual interest for the time deposits and on call deposits are as follows:

	Year Ended December 31,	
	2018	**2017**
Rupiah	1.50% - 8.25%	3.10% - 7.50%
United States Dollar	2.16% - 2.38%	-

There were no cash and cash equivalents balances placed to a related party.

5. TIME DEPOSITS

This account represents Rupiah and United States Dollar time deposits which placed at the following third parties banks:

	December 31, 2018	**December 31, 2017**
Rupiah		
PT Bank Maybank Indonesia Tbk	263,100	112,300
PT Bank Rakyat Indonesia (Persero) Tbk	91,500	383,600
PT Bank Danamon Indonesia Tbk	73,300	337,300
PT Bank CIMB Niaga Tbk	-	195,900
PT Bank Bukopin Tbk	-	89,200
United States Dollar		
Credit Suisse AG, Singapore Branch (US$2,538,228 as of December 31, 2018 and US$7,581,505 as of December 31, 2017)	36,756	102,714
UBS AG, Singapore Branch (US$4,285,062 as of December 31, 2017)	-	58,054
Total	**464,656**	**1,279,068**

The above time deposits have maturities within three (3) months to six (6) months from the time of placement and not pledged as collateral. The annual interest for the time deposits are as follows:

	Year Ended December 31,	
	2018	**2017**
Rupiah	6.00% - 8.00%	6.00% - 7.00%
United States Dollar	1.09% - 2.26%	1.09% - 1.45%

There were no time deposits placed to a related party.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

6. ACCOUNTS RECEIVABLE - TRADE AND OTHERS - THIRD PARTIES

Accounts receivable - trade - third parties represents receivables from banks for purchase payments made by the customers for using credit cards with details as follows:

	December 31, 2018	December 31, 2017
Rupiah		
PT Espay Debit Indonesia Koe	13,565	-
PT Bank Rakyat Indonesia (Persero) Tbk	851	401
PT Bank CIMB Niaga Tbk	803	7
PT Bank Negara Indonesia (Persero) Tbk	610	1,359
PT Bank Central Asia Tbk	317	6,751
PT Bank DKI	107	345
PT Bank Mandiri (Persero) Tbk	93	1,183
Total	**16,346**	**10,046**

Accounts receivable - others - third parties represents receivables from rent income, promotion replacement and rebate. All receivables are denominated in Rupiah. All receivables are in current category and are not impaired. Based on the review of the possibility of impairment at the end of the year, management believes that no allowance for impairment loss is needed to cover the possibility of impairment.

7. SHORT-TERM INVESTMENTS

This account represents investments in debt and share securities in Rupiah which are classified as available-for-sale financial assets as follows:

	December 31, 2018	December 31, 2017
Debt securities - third parties:		
Rupiah		
Obligasi Subordinasi BKLJT I BCA Tahap I Tahun 2018 SR A	30,015	-
Obligasi Subordinasi Berkelanjutan II Bank Maybank Indonesia Tahap II Tahun 2016	24,625	26,175
Obligasi Berkelanjutan I Antam Tahun 2011	9,710	10,082
Sukuk Ijarah II TPS Food Tahun 2016	7,666	10,150
Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017	6,837	7,001
Obligasi Sukuk Mudharabah Subordinasi I Bank BRI Syariah Tahun 2016	5,001	5,075
Obligasi Berkelanjutan I Summarecon Agung Tahap I Tahun 2013	-	18,454
Obligasi Berkelanjutan I Bank Mandiri Tahap II Tahun 2017 Seri A	-	10,485
Obligasi Indofood Sukses Makmur VIII Tahun 2017	-	10,465
Obligasi Berkelanjutan III Astra Sedaya Finance Tahap III Tahun 2017	-	10,330
Obligasi Berkelanjutan II Adhi Karya Tahap I Tahun 2017	-	9,976
Obligasi Berkelanjutan II Indosat Tahap I Tahun 2017 Seri B	-	7,102

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

7. SHORT-TERM INVESTMENTS (continued)

This account represents investments in debt and share securities in Rupiah which are classified as available-for-sale financial assets as follows: (continued)

	December 31, 2018	December 31, 2017
Share securities - third parties:		
Rupiah		
Share PT Berlian Laju Tanker Tbk	2,214	2,214
Total	**86,068**	**127,509**

On January 2017, the debt securities of BLT Finance were amounting to Rp403 has been converted into share securities amounting to 11,294,148 shares with a price of Rp706 at the conversion date.

In 2018 and 2017, annual interest rates of debt securities are as follows:

	Year Ended December 31,	
	2018	2017
Rupiah	7.75% - 10.85%	8.00% - 10.85%

In 2018 and 2017, the Company has buy short-term investments amounting to Rp40,000 and Rp53,979, respectively. Up to December 31, 2018, short-term investments amounting to Rp75,239 has been realized with total proceed amounting to Rp74,883, which resulting net realized loss amounting to Rp356. As of December 31, 2018 and 2017 changes in fair value of available for sale financial assets, net of deferred tax, resulted an unrealized loss amounting to Rp11,034 and Rp6,383, respectively, which were presented as part of “Other Comprehensive Loss - Net” account in the equity section of the statement of financial position.

Based on PT Pemeringkat Efek Indonesia, securities rating agency, as of December 31, 2018 and 2017, the ratings of the bonds are as follows:

	December 31, 2018	December 31, 2017
Obligasi Subordinasi BKLJT I BCA Tahap I Tahun 2018 SR A	AA	-
Obligasi Subordinasi Berkelanjutan II Bank Maybank Indonesia Tahap II Tahun 2016	AA	AA
Obligasi Berkelanjutan I Antam Tahun 2011	BBB+	BBB+
Sukuk Ijarah II TPS Food Tahun 2016	D	BBB
Obligasi Subordinasi Berkelanjutan I Bank UOB Indonesia Tahap II Tahun 2017	AA	AA
Obligasi Sukuk Mudharabah Subordinasi I Bank BRI Syariah Tahun 2016	A+	AA+
Obligasi Berkelanjutan I Summarecon Agung Tahap I Tahun 2013	-	A+
Obligasi Berkelanjutan I Bank Mandiri Tahap II Tahun 2017 Seri A	-	AAA
Obligasi Indofood Sukses Makmur VIII Tahun 2017	-	AA+
Obligasi Berkelanjutan III Astra Sedaya Finance Tahap III Tahun 2017	-	AA
Obligasi Berkelanjutan II Adhi Karya Tahap I Tahun 2017	-	A-
Obligasi Berkelanjutan II Indosat Tahap I Tahun 2017 Seri B	-	AAA

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

8. INVENTORIES

This account represents merchandise inventories owned by the Company which are located in the following regions:

	December 31, 2018	December 31, 2017
West Java	249,043	225,732
Jakarta	198,108	173,887
Sumatera	139,867	120,553
East Java	69,741	52,799
Kalimantan	65,066	51,329
Bali and Nusa Tenggara	42,768	38,920
Central Java	42,413	26,128
Papua	26,390	21,177
Sulawesi	26,371	30,468
Total (Note 18)	**859,767**	**740,993**

The above inventories are covered by insurance against losses from fire, damage, natural disasters, riots and other risks amounting to Rp1,240,078 as of December 31, 2018 (2017: Rp704,047), which in the opinion of the Company's management is adequate to cover possible losses arising from such risks. As of December 31, 2018 and 2017, there are no inventories pledged as collateral.

Based on the review of the condition of inventories at the end of the year, management assesses that there are no indications for decline in value for above inventories.

In 2018, there was earthquake disaster in one of the Company's store that resulted losses on inventories, long-term prepaid rent, fixed assets and security deposits each amounting to Rp8,780, Rp4,026 (Note 10c), Rp1,712 (Note 9) and Rp185, respectively. For the losses of inventories and fixed assets, the Company is still in the process for submission of the insurance claims, which compensation still could not be determined.

In 2017, there was fire accident in one of the Company's store that resulted in losses on inventories amounting to Rp7,124 and fixed assets amounting to Rp419 (Note 9), respectively. In 2018, for the losses of inventories and fixed assets, the Company has received compensation from insurance claim amounting to Rp5,450.

In 2017, the Company also has received reimbursement from insurance claim amounting to Rp18,965 for losses of inventories and fixed assets incurred in 2016 and 2015.

The net gain from these fire incidents in 2018 and 2017 amounting to Rp5,450 and Rp11,422, respectively, which were recorded as part of "Other Income" in the statement of profit or loss and other comprehensive income (Note 21).

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

9. FIXED ASSETS - NET

Fixed assets consists of:

	Year Ended December 31, 2018				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	367,723	-	-	-	367,723
Buildings	885,708	-	-	-	885,708
Building renovations and improvements	1,153,908	18,142	9,967	51,378	1,213,461
Store equipment	835,583	14,784	3,318	14,551	861,600
Transportation equipment	51,955	3,806	840	-	54,921
Office equipment	82,539	6,657	-	-	89,196
Sub-total	3,377,416	43,389	14,125	65,929	3,472,609
Construction in Progress					
Building renovations and improvements	54,004	49,419	725	(51,378)	51,320
Store and office equipments	19,175	14,898	630	(14,551)	18,892
Sub-total	73,179	64,317	1,355	(65,929)	70,212
Total Cost	3,450,595	107,706	15,480	-	3,542,821
Accumulated Depreciation					
Buildings	476,106	42,231	-	-	518,337
Building renovations and improvements	915,176	81,600	8,902	-	987,874
Store equipment	707,913	42,513	2,530	-	747,896
Transportation equipment	45,761	3,450	673	-	48,538
Office equipment	70,383	5,568	-	-	75,951
Total Accumulated Depreciation	2,215,339	175,362	12,105	-	2,378,596
Net Book Value	**1,235,256**				**1,164,225**

	Year Ended December 31, 2017				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land	367,723	-	-	-	367,723
Buildings	885,708	-	-	-	885,708
Building renovations and improvements	1,082,583	19,913	2,672	54,084	1,153,908
Store equipment	779,343	24,941	729	32,028	835,583
Transportation equipment	50,572	3,235	1,852	-	51,955
Office equipment	80,484	2,066	11	-	82,539
Sub-total	3,246,413	50,155	5,264	86,112	3,377,416
Construction in Progress					
Building renovations and improvements	42,052	66,036	-	(54,084)	54,004
Store and office equipments	27,250	23,953	-	(32,028)	19,175
Sub-total	69,302	89,989	-	(86,112)	73,179
Total Cost	3,315,715	140,144	5,264	-	3,450,595
Accumulated Depreciation					
Buildings	433,243	42,863	-	-	476,106
Building renovations and improvements	830,934	86,541	2,299	-	915,176
Store equipment	663,805	44,735	627	-	707,913
Transportation equipment	44,401	3,212	1,852	-	45,761
Office equipment	64,050	6,333	-	-	70,383
Total Accumulated Depreciation	2,036,433	183,684	4,778	-	2,215,339
Net Book Value	**1,279,282**				**1,235,256**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

9. FIXED ASSETS - NET (continued)

Depreciation charged to general and administrative expenses were amounting to Rp175,362 in 2018 and Rp183,684 in 2017 (Note 20).

The computation of gain on disposal of fixed assets are as follows:

	Year Ended December 31,	
	2018	**2017**
Proceeds from sales	441	992
Net book value	(167)	-
Gain on disposal of fixed assets	**274**	**992**

Gain on disposal of fixed assets is presented as part of "Other Income - Others - Net". In 2018 and 2017, the Company has written off fixed asset and construction in progress amounting to Rp1,496 and Rp67, respectively.

In 2018, there was earthquake disaster in one of the Company's stores which resulting the Company suffered a loss on fixed assets amounting to Rp1,712 (Note 8). As a result of fire disaster in the Company's stores in 2017, the Company suffered a loss on fixed assets amounting to Rp419 (Note 8).

Land under Building Usage Right ("HGB") status owned by the Company is located in several cities in Indonesia. These HGBs will expire on various dates from 2019 until 2040 and the Company's management believes that these rights can be renewed upon their expiry.

Fair value of land as of December 31, 2018 and 2017 are amounting to Rp758,739 and Rp727,093, which were determined based on the Tax Office's sale value of tax objects ("NJOP").

The details of constructions in progress are as follows:

December 31, 2018	**Estimated Percentage of Completion from Financial Point of View**	**Accumulated Costs**	**Estimated Completion**
Building renovations and improvements	10-90%	51,320	Year 2019
Store and office equipments	10-90%	18,892	Year 2019
Total		**70,212**	

December 31, 2017	**Estimated Percentage of Completion from Financial Point of View**	**Accumulated Costs**	**Estimated Completion**
Building renovations and improvements	10-90%	54,004	Year 2018
Store and office equipments	10-90%	19,175	Year 2018
Total		**73,179**	

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9. FIXED ASSETS - NET (continued)

Fixed assets, except for land and construction in progress, are covered by insurance against losses from fire, damage, natural disasters, riots and other risks amounting to Rp2,552,152 and Rp2,476,134 as of December 31, 2018 and 2017, respectively, which in the management's opinion is adequate to cover possible losses arising from such risks.

As of December 31, 2018 and 2017, the Company's management believes that there is no event or change in circumstances that may indicate any impairment in value of its fixed assets.

As of December 31, 2018 and 2017, there were no fixed assets pledged as collateral.

10. LONG-TERM PREPAID RENT

(a) This account represents long-term prepaid rent for several land and spaces for stores and warehouses. The Company entered into various long-term rental agreements with PT Jakarta Intiland ("JIL"), a related party, and with third parties for several stores and warehouses spaces which in general are valid for 5 years. The Company also entered into various long-term land rental agreements with third parties which are used for store buildings. The land rental agreements in general are valid for 25 years.

The details of long-term prepaid rent as of December 31, 2018 and 2017 are as follows:

	December 31, 2018	**December 31, 2017**
Contract value		
PT Jakarta Intiland, a related party	298,757	459,228
Third parties	470,111	461,881
Total	768,868	921,109
Less accumulated amortization	(261,467)	(358,365)
Unamortized portion	507,401	562,744
Less:		
Impairment loss	(9,000)	(9,000)
Current portion	(90,579)	(101,372)
Long-term portion	**407,822**	**452,372**

The outstanding balance of long-term prepaid rent with related party amounting to Rp247,001 and Rp280,085 as of December 31, 2018 and 2017, respectively, or representing 4.71% and 5.73% of total assets, respectively (Note 23a).

Total additions of long-term prepaid rent in 2018 and 2017 amounting to Rp59,804 and Rp129,499, respectively.

Amortization of long-term prepaid rent charged to operations amounting to Rp111,120 in 2018 and Rp123,156 in 2017 (Note 19).

As of December 31, 2018, store and warehouse long-term rent agreements with JIL cover 41 locations (December 31, 2017: 40 locations). Under these agreements, JIL has given the right to use the stores and warehouse locations to the Company for a period of 4 to 5 years. As of December 31, 2018, these agreements will expire at various dates from 2019 until 2029, which can be renewed for another period to be agreed by both parties. Total additions of long-term prepaid rent to JIL in 2018 amounting to Rp19,928. In 2017, there was addition of long-term prepaid rent to JIL amounting to Rp70,860.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

10. LONG-TERM PREPAID RENT (continued)

(b) The Company also have several rental agreements with JIL and third parties which payments were spread over the rental period and the Company is required to paid security deposit. Total rent expense for these rental agreements in 2018 and 2017 were amounting to Rp241,499 and Rp240,569, respectively, including rental with a related party of Rp156,073 and Rp166,517, respectively, or representing 36.71% and 43.88% of total selling expenses, respectively, are presented as part of “Selling Expenses - Rent - Net” account in the statement of profit or loss and other comprehensive income (Note 19). As of December 31, 2018 and 2017, the outstanding refundable security deposits paid by the Company to JIL amounting to Rp2,905 or representing 0.06% of total assets, are presented as part of “Security Deposits” account in the statement of financial position (Note 23b).

(c) In 2018, there was earthquake disaster in one of the Company’s stores which resulting the Company suffered lossed on long-term prepaid rent amounting to Rp4,026 (Note 8).

11. ACCOUNTS PAYABLE - TRADE - THIRD PARTIES

This account represents liabilities to suppliers for purchases of merchandise inventories in Rupiah. The terms of payments for the suppliers are ranging from one (1) month to three (3) months from the date of purchase.

The Company’s aging analysis of accounts payable - trade - third parties based on due date is as follows:

	December 31, 2018	December 31, 2017
Current	552,289	899,199
1 - 2 months	226,278	9,065
More than 2 months	130,767	41,279
Total	**909,334**	**949,543**

As of December 31, 2018 and 2017, there was no collateral provided by the Company for the accounts payable - trade stated above.

12. TAXATION

Taxes payable consists of:

	December 31, 2018	December 31, 2017
Income taxes:		
Article 4 (2)	3,705	4,777
Article 21	999	1,149
Article 23	2,137	776
Article 25	4,766	-
Article 26	249	60
Article 29	61,748	11,808
Value Added Tax - net	23,496	30,121
Total	**97,100**	**48,691**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

12. TAXATION (continued)

The reconciliation between income before income tax as shown in the statement of profit or loss and other comprehensive income and taxable income for the years ended December 31, 2018 and 2017 are presented as follows:

	Year Ended December 31,	
	2018	**2017**
Income before income tax as shown in the statement of profit or loss and other comprehensive income	717,172	466,592
Temporary differences:		
Depreciation of fixed assets	4,640	6,373
Provision for liabilities for employee benefits - net	(344)	32,777
Amortization of prepaid expenses	(555)	826
Amortization of long-term prepaid rent	(12,591)	2,272
Permanent differences:		
Tax penalties	29,012	136
Donations and entertainment	8,648	7,091
Business trip	2,406	1,492
Employee welfare	1,614	7,829
Others	339	404
Income already subjected to final tax:		
Interest	(107,062)	(87,938)
Rent	(131,862)	(155,558)
Taxable income	**511,417**	**282,296**
Total income tax expense - current	**127,854**	**70,574**
Income tax expense (benefit) - deferred		
Amortization of prepaid long-term rent	3,148	(568)
Amortization of prepaid expenses	139	(207)
Provision for liabilities for employee benefits - net	86	(8,194)
Depreciation of fixed assets	(1,160)	(1,593)
Income tax benefit - deferred - net	**2,213**	**(10,562)**
Income tax expense - net	**130,067**	**60,012**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

12. TAXATION (continued)

The Company will report its 2018 Annual Income Tax Return ("SPT") based on the abovementioned calculation. The Company's estimated taxable income for the year ended December 31, 2017 was consistent with the Annual Income Tax Return as reported to the Tax Office.

The computation of income tax payable - Article 29 are as follows:

	December 31, 2018	December 31, 2017
Income tax expense - current	127,854	70,574
Prepayments of income taxes:		
Article 22	1	6
Article 23	7,012	7,835
Article 25	59,093	50,925
Total	66,106	58,766
Income tax payable - Article 29	**61,748**	**11,808**

For the 2018 and 2017 corporate income tax calculation, tax rate applied is 25%.

The reconciliation between income tax computed by using applicable tax rate from income before income tax, with income tax expense as shown in the statement of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

	Year Ended December 31,	
	2018	2017
Income before income tax as shown in the statement of profit or loss and other comprehensive income	717,172	466,592
Income tax expense at applicable tax rate	179,293	116,648
Tax effect of permanent differences:		
Tax penalties	7,253	34
Donations and entertainment	2,162	1,773
Business trip	602	373
Employee welfare	404	1,957
Others	85	101
Income already subjected to final tax:		
Interest	(26,766)	(21,985)
Rent	(32,966)	(38,889)
Income tax expense - net	**130,067**	**60,012**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

12. TAXATION (continued)

The deferred tax assets and liabilities as of December 31, 2018, and 2017 are as follows:

	December 31, 2018	December 31, 2017
Deferred tax assets on:		
Liabilities for employee benefits	80,622	87,234
Unrealized loss on available-for-sale financial assets	3,678	2,127
Total	84,300	89,361
Deferred tax liabilities on:		
Fixed assets	(18,762)	(19,922)
Long-term rent	(12,469)	(9,321)
Prepaid expenses	(1,720)	(1,581)
Total	(32,951)	(30,824)
Deferred tax assets - net	**51,349**	**58,537**

The Company's management believes that the deferred tax assets can be utilized through its future taxable income.

13. ACCRUED EXPENSES

Accrued expenses consist of :

	December 31, 2018	December 31, 2017
Electricity and energy	30,963	22,999
Maintenance and repair	5,853	6,276
Promotion	3,566	1,950
Royalty	1,858	1,084
Rent	1,342	2,914
Store supplies	1,247	3,281
Professional fee	1,150	1,265
Others	9,214	3,759
Total	**55,193**	**43,528**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

14. LIABILITIES FOR EMPLOYEE BENEFITS

The Company recognized liabilities for employee benefits as of December 31, 2018 and 2017 based on actuarial valuations performed by PT Dayamandiri Dharmakonsilindo, an independent actuary, based on its reports dated March 4, 2019.

The liabilities for employee benefits are calculated using the "Projected Unit Credit" method based on the following assumptions:

	December 31, 2018	**December 31, 2017**
Discount rate	8.30% per year	7.30% per year
Salary increase rate	7% per year	7% per year
Pension age	55 years old	55 years old
Mortality rate	TMI 2011	TMI 2011

The benefits expense are as follows:

	Year Ended December 31,	
	2018	**2017**
Excess of benefits payments	46,636	27,304
Current service cost	22,363	20,351
Interest cost	21,960	23,439
Adjustment for past services	281	546
Past service cost of curtailment	(26,792)	-
Total	**64,448**	**71,640**

Movements in the present value of defined benefit obligation as of December 31, 2018 and 2017 are as follows:

	Year Ended December 31,	
	2018	**2017**
Balance at beginning of year	348,937	300,629
Provision of excess benefit payment	46,636	27,304
Current service cost	22,363	20,351
Interest cost	21,960	23,439
Adjustment for past services	281	546
Benefits payments during the year	(18,156)	(11,560)
Past service cost of curtailment	(26,792)	-
Excess of benefits payments during the year	(46,636)	(27,304)
Remeasurement of present value of defined benefit obligation:		
Loss (gain) from experience adjustments	12,382	(20,026)
Loss (gain) from changes in financial assumption	(38,488)	35,558
Balance at end of year	**322,487**	**348,937**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

14. LIABILITIES FOR EMPLOYEE BENEFITS (continued)

The movements in the liabilities for employee benefits for the years ended December 31, 2018 and 2017 are as follows:

	Year Ended December 31,	
	2018	**2017**
Balance at beginning of year	348,937	300,629
Provision during the year	64,448	71,640
Payment during the year	(18,156)	(11,560)
Provision of excess benefit payment	(46,636)	(27,304)
Other comprehensive loss (income)	(26,106)	15,532
Balance at end of year	**322,487**	**348,937**

Mutation of other comprehensive loss for the years ended December 31, 2018 and 2017 are as follows:

	Year Ended December 31,	
	2018	**2017**
Balance at beginning of year	77,754	62,222
Loss (gain) in current year	(26,106)	15,532
Balance at end of year	**51,648**	**77,754**

As of December 31, 2018, a one percentage point change in the assumed rate of discount rate would have the following effects:

	Discount rates		Future salary increases	
	Percentage	**Effect on present value of benefits obligation**	**Percentage**	**Effect on present value of benefits obligation**
Increase	1%	(25,099)	1%	29,882
Decrease	(1%)	28,820	(1%)	(26,409)

The following payments are expected contributions to the benefit obligation in future years:

	December 31, 2018	**December 31, 2017**
Within the next 12 months	45,649	42,651
Between 1 and 2 years	15,956	12,349
Between 2 and 5 years	53,893	48,911
Beyond 5 years	410,022	523,126
Total	**525,520**	**627,037**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

15. SHARE CAPITAL AND TREASURY SHARES

Share Capital

The shareholders and their share ownership as of December 31, 2018 and 2017 are as follows:

December 31, 2018

Shareholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount
PT Ramayana Makmursentosa	3,965,000,000	58.98%	198,250
Paulus Tumewu (President Commissioner)	260,000,000	3.87%	13,000
Agus Makmur (President Director)	258,170,000	3.84%	12,909
Public (below 5% ownership each)	2,239,648,900	33.31%	111,982
Sub-total	**6,722,818,900**	**100.00%**	**336,141**
Treasury shares	373,181,100		18,659
Total	**7,096,000,000**		**354,800**

December 31, 2017

Shareholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount
PT Ramayana Makmursentosa	3,965,000,000	58.98%	198,250
DB Spore DCS A/C Ntasian Discovery Master Fund	433,243,600	6.44%	21,662
Agus Makmur (President Director)	302,500,000	4.50%	15,125
Paulus Tumewu (President Commissioner)	260,000,000	3.87%	13,000
Public (below 5% ownership each)	1,762,075,300	26.21%	88,104
Sub-total	**6,722,818,900**	**100.00%**	**336,141**
Treasury shares	373,181,100		18,659
Total	**7,096,000,000**		**354,800**

Treasury Shares

Based on Extraordinary General Meeting of Shareholders, the shareholders approved among others the management's plan to buyback the Company's outstanding shares with the maximum purchase amount of Rp400,000, include the transaction cost, broker fee and other costs related to the Company's buyback shares or maximum 567,680,000 shares, or 8% of the Company's issued and fully paid shares, gradually until March 15, 2017.

Until 2017, the Company has buy 373,181,100 shares with total acquisition cost amounting to Rp339,861, which presented in "Treasury Shares" account as deduction to the equity in the statement of financial position.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

16. RETAINED EARNINGS

In the Annual Shareholder's General Meeting held on May 25, 2018, which were notarized by Deed No. 6 on the same date of Rianto, S.H., the shareholders approved the declaration of cash dividend of Rp40 (full amount) per share or in total amount of Rp268,913.

In the Annual Shareholder's General Meeting held on May 16, 2017, which were notarized by Deed No. 11 on the same date of Rianto, S.H., the shareholders approved the declaration of cash dividend of Rp36 (full amount) per share or in total amount of Rp242,021.

17. REVENUES

The details of revenues are as follows:

	Year Ended December 31,	
	2018	**2017**
Outright sales	4,805,123	4,786,508
Consignment sales	3,733,611	3,359,349
Cost of consignment sales	(2,799,181)	(2,523,129)
Commission on consignment sales	934,430	836,220
Total	**5,739,553**	**5,622,728**

There were no sales to a customer that exceeded 10% of total revenues in 2018 and 2017.

18. COST OF OUTRIGHT SALES

The details of cost of outright sales are as follows:

	Year Ended December 31,	
	2018	**2017**
Beginning inventories	740,993	834,400
Net purchases	3,351,722	3,317,027
Inventories available for sale	4,092,715	4,151,427
Ending inventories (Note 8)	(859,767)	(740,993)
Cost of outright sales	**3,232,948**	**3,410,434**

There were no purchases from a supplier of the Company that exceeded 10% of total revenues in 2018 and 2017.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

19. SELLING EXPENSES

The details of selling expenses are as follows:

	Year Ended December 31,	
	2018	**2017**
Rent - net (Notes 10a,10b, 23b, 23c, 23d and 24)	222,749	181,929
Promotion	104,065	90,635
Transportation	59,256	62,085
Plastic bags	23,623	25,108
Credit card charges	5,758	7,214
Royalty and travel fees (Note 24)	3,922	4,891
Others	5,798	7,594
Total	**425,171**	**379,456**

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are as follows:

	Year Ended December 31,	
	2018	**2017**
Salaries and employee welfare (Note 14)	620,070	670,210
Electricity and energy	257,691	262,880
Repairs and maintenance (Note 23b)	176,507	154,498
Depreciation (Note 9)	175,362	183,684
Taxes and licenses (Note 12)	72,069	32,763
Jamsostek	29,513	24,659
Supplies	27,001	37,055
Insurance	26,411	26,858
Stationeries and printing	22,905	22,505
Business trips	15,382	14,299
Security	13,000	11,407
Contribution and retribution	11,345	10,607
Others (below Rp10,000 each)	26,356	25,060
Total	**1,473,612**	**1,476,485**

21. OTHER INCOME AND EXPENSES

The details of other income are as follows:

	Year Ended December 31,	
	2018	**2017**
Gain on foreign exchange - net	11,120	1,346
Gain on fire disaster - net (Note 8)	5,450	11,422
Others - net	1,851	7,664
Total	**18,421**	**20,432**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

21. OTHER INCOME AND EXPENSES (continued)

The details of other expenses are as follows:

	Year Ended December 31,	
	2018	2017
Loss from earthquake (Note 8)	14,703	-
Others - net	4,592	1
Total	**19,295**	**1**

22. EARNINGS PER SHARE (“EPS”)

The computation of earnings per share in 2018 and 2017 are as follows:

	Year Ended December 31,	
	2018	2017
Income for the year	587,105	406,580
Weighted average number of shares outstanding	6,722,818,900	6,722,818,900
Earnings per share (full amount)	**87.33**	**60.48**

23. RELATED PARTIES TRANSACTIONS

The Company conducted transactions out of its main business with certain related parties. The details of the related parties transactions, are as follows:

			Percentage to Total Assets	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Other receivables				
PT Ramayana Makmursentosa	-	13,639	-	0.28
PT Jakarta Intiland	238	-	0.01	-
PT Indonesia Fantasi Sentosa	1,275	3,168	0.02	0.06
Total	**1,513**	**16,807**	**0.03**	**0.34**
Long-term prepaid rent (Note 10a)				
PT Jakarta Intiland (a)	247,001	280,085	4.71	5.73
Security deposits (Note 10b)				
PT Jakarta Intiland (b)	2,905	2,905	0.06	0.06

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

23. RELATED PARTIES TRANSACTIONS (continued)

The details of the related parties transactions, are as follows: (continued)

	Year Ended December 31,		Percentage to Related Total Income/Expenses *) Year Ended December 31,	
	2018	**2017**	**2018**	**2017**
Rental revenue				
PT Ramayana Makmursentosa (c)	72,582	72,123	1.26	1.28
PT Indonesia Fantasi Sentosa (d)	19,446	13,750	0.34	0.24
Total	**92,028**	**85,873**	**1.60**	**1.52**
Selling expenses - Rent (Note 10b)				
PT Jakarta Intiland (b)	209,085	239,947	49.18	63.23
General and administrative expenses - Repairs and maintenance				
PT Jakarta Intiland (b)	30,334	15,338	2.06	1.04

***)** Percentage to total revenue/selling expenses/general and administrative expenses

	Year Ended December 31,		Percentage to Salaries and Employee's Welfare Year Ended December 31,	
	2018	**2017**	**2018**	**2017**
Short-term employee benefits				
Board of Commissioners	6,943	5,532	1.12	0.83
Board of Directors	5,646	5,126	0.91	0.76
Sub-total	12,589	10,658	2.03	1.59
Long-term employee benefits				
Board of Commissioners	535	553	0.09	0.08
Board of Directors	466	382	0.07	0.06
Sub-total	1,001	935	0.16	0.14
Total	**13,590**	**11,593**	**2.19**	**1.73**

a. The Company entered into long-term rental agreements for several warehouses and spaces for stores with PT Jakarta Intiland, a related party, as discussed in Notes 10 and 24. Total net book value of these long-term prepaid rent amounting to Rp247,001 dan Rp280,085 as of December 31, 2018 and 2017, respectively.

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23. RELATED PARTIES TRANSACTIONS (continued)

b. The Company also has agreements with PT Jakarta Intiland, a related party, of which the related rents are payable periodically during the rental periods and the Company has to pay refundable security deposits, as discussed in Note 10b. The outstanding balance of security deposits amounting to Rp2,905 as of December 31, 2018 and 2017 are presented as part of “Security Deposits” account in the statement of financial position. Total rent expense incurred from these agreements amounting to Rp209,085 and Rp239,947 in 2018 and 2017, respectively, and are presented as part of “Selling Expenses - Rent - Net” account in the statement of profit or loss and other comprehensive income (Note 19). Based on the rent agreements, the Company is required to pay service charges. Total service charges paid to PT Jakarta Intiland, a related party, amounting to Rp30,334 and Rp15,338 in 2018 and 2017, respectively, and are presented as part of “Selling Expenses - Repairs and Maintenance” in the statement of profit or loss and other comprehensive income (Note 20).

c. The Company entered into several agreements to lease certain store area to PT Ramayana Makmursentosa. Total rental income from these agreements amounting to Rp72,582 and Rp72,123 in 2018 and 2017, respectively, and are presented as a deduction of rental expense in selling expenses (Note 19).

d. The Company entered into several agreements to lease certain store area to PT Indonesia Fantasi Sentosa. Total rental income from these agreements amounting to Rp19,446 and Rp13,750 in 2018 and 2017, respectively, and are presented as a deduction of rental expense in selling expenses (Note 19).

Details of the nature of relationships and types of material transactions with related parties are as follows:

No.	Related Parties	Nature of Relationship	Transaction
1	PT Ramayana Makmursentosa	Ultimate shareholder of the Company	Rent of spaces
2	PT Jakarta Intiland	A member of the same group with the Company	Rent of store and warehouse and service charges
3	PT Indonesia Fantasi Sentosa	Under common control	Rent of spaces
4	Boards of Commissioners and Directors	A member of the key management personnel of the Company	Salaries and employees’ welfare

24. SIGNIFICANT AGREEMENTS

<u>Rental</u>

The Company entered into various rental agreements with related party and third parties to lease certain stores area. The rental income from these agreements amounting to Rp129,465 and Rp175,338 in 2018 and 2017, respectively, are presented as a deduction of rental expense in selling expenses (Note 19).

<u>License</u>

Since September 1, 2014, the Company and SPAR International B.V., Holand (“SPAR”), a third party, engaged in a license agreement. Based on this agreement, the Company has the right to use the name and trademark of SPAR along with the purchasing, warehouse, distribution, marketing and selling system owned by SPAR. Related to that, the Company has to pay annual royalty fee and all traveling fee for SPAR’s employees that will be appointed to assist the Company. Royalty and travelling fees incurred are amounting to Rp3,922 and Rp4,891 in 2018 and 2017, respectively, are presented as part of selling expenses (Note 19). On September 30, 2018, the Company has terminate the agreement with SPAR International B.V., Holand.

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25. SEGMENT INFORMATION

The following segment information is prepared based on the information used by management in evaluating the performance of each business segment and in determining the allocation of resources.

	Year Ended December 31, 2018				
	Sumatera	**Java, Bali and Nusa Tenggara**	**Kalimantan**	**Sulawesi and Papua**	**Total Segment**
Total revenues	985,244	3,812,896	452,857	488,556	5,739,553
Income					
Segment income	390,954	1,376,271	193,533	241,163	2,201,921
Unallocated operating expenses					(1,594,973)
Income from operations					606,948
Finance income					134,701
Tax on finance income					(24,477)
Income before income tax					717,172
Income tax expense - net					(130,067)
Income for the year					**587,105**
Segment assets	437,278	1,773,397	187,625	155,799	2,554,099
Unallocated assets					2,688,948
Total assets					**5,243,047**
Segment liabilities	466	3,067	187	22	3,742
Unallocated liabilities					1,411,840
Total liabilities					**1,415,582**
Capital expenditures	6,770	92,106	5,656	3,174	107,706
Depreciation and amortization	35,480	232,628	14,876	21,698	304,682

	Year Ended December 31, 2017				
	Sumatera	**Java, Bali and Nusa Tenggara**	**Kalimantan**	**Sulawesi and Papua**	**Total Segment**
Total revenues	1,081,172	3,622,454	447,210	471,892	5,622,728
Income					
Segment income	402,285	1,159,801	162,262	181,108	1,905,456
Unallocated operating expenses					(1,528,672)
Income from operations					376,784
Finance income					109,525
Tax on finance income					(19,717)
Income before income tax					466,592
Income tax expense - net					(60,012)
Income for the year					**406,580**
Segment assets	440,021	1,735,482	187,078	198,014	2,560,595
Unallocated assets					2,331,327
Total assets					**4,891,922**
Segment liabilities	597	4,011	187	23	4,818
Unallocated liabilities					1,392,759
Total liabilities					**1,397,577**
Capital expenditures	16,534	101,525	14,910	7,175	140,144
Depreciation and amortization	39,542	225,664	13,575	28,057	306,838

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25. SEGMENT INFORMATION (continued)

The Company determines its business segment based on the products sold consisting of fashion and accessories and groceries are as follows:

Year Ended December 31, 2018	Fashion and Accessories	Groceries	Total Segment
Outright sales	3,213,775	1,591,348	4,805,123
Commission on consignment sales	924,015	10,415	934,430
Cost of outright sales	(1,883,273)	(1,349,675)	(3,232,948)
Gross profit	**2,254,517**	**252,088**	**2,506,605**
Selling expenses	(408,100)	(17,071)	(425,171)
General and administratives expenses	(1,277,178)	(196,434)	(1,473,612)
Other income	17,538	883	18,421
Other expenses	(13,558)	(5,737)	(19,295)
Income from operations	**573,219**	**33,729**	**606,948**
Finance income	113,902	20,799	134,701
Tax on finance income	(20,565)	(3,912)	(24,477)
Income before income tax	**666,556**	**50,616**	**717,172**

Year Ended December 31, 2017	Fashion and Accessories	Groceries	Total Segment
Outright sales	2,950,199	1,836,309	4,786,508
Commission on consignment sales	825,464	10,756	836,220
Cost of outright sales	(1,815,628)	(1,594,806)	(3,410,434)
Gross profit	**1,960,035**	**252,259**	**2,212,294**
Selling expenses	(328,841)	(50,615)	(379,456)
General and administratives expenses	(1,235,103)	(241,382)	(1,476,485)
Other income	17,917	2,515	20,432
Other expenses	-	(1)	(1)
Income (loss) from operations	**414,008**	**(37,224)**	**376,784**
Finance income	95,535	13,990	109,525
Tax on finance income	(17,102)	(2,615)	(19,717)
Income (loss) before income tax	**492,441**	**(25,849)**	**466,592**

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

26. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of December 31, 2018, the Company has monetary assets and liabilities denominated in foreign currencies as follows:

	Equivalent in Rupiah
Assets	
Cash and cash equivalents	
United States Dollar (US$9,769,717)	141,476
Time deposits	
United States Dollar (US$2,538,228)	36,756
Accounts receivable - others	
United States Dollar (US$25,759)	373
Total	178,605
Liabilities	
Accounts payable - others	
United States Dollar (US$92,663)	1,342
Singapore Dollar (Sin$4,808)	51
Total	1,393
Net monetary assets	**177,212**

On March 27, 2019, the exchange rates are Rp14,202 (full amount) per US$1 and Rp10,492 (full amount) per Sin$1.

If the net monetary assets in foreign currencies as of December 31, 2018 are converted to Rupiah using the exchange rates as of March 27, 2019, the net monetary assets will decrease by Rp3,415.

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's main financial instruments comprise cash and cash equivalents, time deposits, short-term investments, accounts receivable - trade, accounts receivable - others, certain security deposits, other non-current assets, accounts payable - trade, accounts payable - others and accrued expenses.

a. Risk Management

The Company is exposed to market risk, credit risk and liquidity risk. Interest to manage any kind of risks has been significantly increased by considering the volatility of financial market both, in Indonesia and international. The Company's senior management oversees the risk management of these risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two type of risks: interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, time deposits, short-term investments, accounts receivable - others and accounts payable - others.

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

a. Risk Management (continued)

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Company's exposure to the risk of changes in foreign exchange rates is related primarily to cash and cash equivalents, time deposits, short-term investments, accounts receivable - others and accounts payable - others which are denominated in United States Dollar and Singapore Dollar. The Company manages this risk by placing their investment selectively in financial instruments which provide high return on investment, so that the fluctuation of foreign exchange rate can be compensated with the return on investments which are denominated in several foreign currencies.

The following table demonstrates the sensitivity to a reasonably possible change in the Rupiah exchange rate against foreign currencies, with assumption that all other variables held constant, the effect to the income before corporate income tax expense is as follows:

	December 31, 2018		December 31, 2017	
	Change in Rupiah Rate	Effect on Income Before Tax Expenses	Change in Rupiah Rate	Effect on Income Before Tax Expenses
United States Dollar	+2%	3,545	+2%	3,256
Singapore Dollar	+2%	(1)	+2%	(1)
United States Dollar	-2%	(3,545)	-2%	(3,256)
Singapore Dollar	-2%	1	-2%	1

Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company's financial instruments that have potential credit risk consist of cash and cash equivalents, time deposits, accounts receivable - trade, accounts receivables - others, certain security deposits and short-term investments. Other than as disclosed below, the Company has no concentration of credit risk.

Credit risk arising from placements of current accounts and deposits is managed in accordance with the Company's policy. Investments of surplus funds are limited for each banks or financial institution and reviewed annually by the Board of Directors. Such limits are set to minimize the concentration of credit risk and therefore mitigate financial loss through potential failure of the banks.

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets presented in the statement of financial position.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

a. Risk Management (continued)

Liquidity risk

Liquidity risk is the risk that occurs when the cash flows position indicates that short-term revenue is insufficient to cover short-term expenditure.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and marketable securities to enable the Company fulfill the Company's commitments to support the Company's business activities. In addition, the Company continuously controls the projection and actual cash flows and also controls the maturity of financial assets and liabilities.

The tables below summarizes the maturity profile of the Company's financial liabilities based on contractual payments as of December 31, 2018 and 2017:

	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
As of December 31, 2018					
Accounts payable - third parties					
Trade	909,334	-	-	-	909,334
Others	31,468	-	-	-	31,468
Accrued expenses	55,193	-	-	-	55,193
Total	**995,995**	**-**	**-**	**-**	**995,995**

	< 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
As of December 31, 2017					
Accounts payable - third parties					
Trade	949,543	-	-	-	949,543
Others	6,878	-	-	-	6,878
Accrued expenses	43,528	-	-	-	43,528
Total	**999,949**	**-**	**-**	**-**	**999,949**

The table below summarizes the changes in liabilities arising from financing activity:

	For the Year Ended December 31, 2018			
	Beginning Balance	**Addition**	**Cash Flow - Net**	**Ending Balance**
Cash dividend	-	268,913	(268,913)	-

	For the Year Ended December 31, 2017			
	Beginning Balance	**Addition**	**Cash Flow - Net**	**Ending Balance**
Cash dividend	-	242,021	(242,021)	-

27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (continued)

b. Capital Management

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

In addition, the Company is also required by the Corporate Law effective August 16, 2007 to contribute and to maintain a non-distributable reserve fund until the said reserve reaches 20% of the issued and fully paid share capital. This externally imposed capital requirement is considered by the Company at the Annual General Shareholders' Meeting ("AGSM").

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes for the years ended December 31, 2018 and 2017.

The Company's policy is to maintain a healthy capital structure in order to secure access to finance at a reasonable cost.

28. FINANCIAL INSTRUMENTS

As of December 31, 2018 and 2017, the carrying amounts of financial assets and liabilities approximate their fair value as follows:

1. Cash and cash equivalents, time deposits, accounts receivable - trade and accounts receivable - others.

   All of the above financial assets represent current assets which due within twelve (12) months, thus the carrying values of the financial assets approximate their fair values.

2. Accounts payable - trade, accounts payable - others and accrued expenses.

   All of the above financial liabilities represent current liabilities which due within twelve (12) months, thus the carrying values of the financial liabilities approximate their fair values.

3. Security deposits, employee receivables, including their current maturities.

   Long-term assets which bear no interest are presented at the net present value of the estimated future cash receipts or payments using market interest rate available for debt with approximately similar characteristics.

<u>Short-term investments</u>

Fair value of this financial asset is estimated using appropriate valuation techniques with market observable inputs.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

28. FINANCIAL INSTRUMENTS (continued)

Fair Value Hierarchy

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The assessment of the significance of a particular input to the fair value measurements requires judgement, and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis.

If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, the Company calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on any available observable market data.

The Company’s fair value hierarchy as of December 31, 2018 and 2017 are as follows:

	December 31, 2018			
	Total	**Level 1**	**Level 2**	**Level 3**
Current asset				
Short-term investments	86,068	86,068	-	-

	December 31, 2017			
	Total	**Level 1**	**Level 2**	**Level 3**
Current asset				
Short-term investments	127,509	127,509	-	-

For the years ended and December 31, 2018 and 2017, there were no transfers between each level fair value measurements.

(Expressed in Millions of Rupiah, Unless Otherwise Stated)

28. FINANCIAL INSTRUMENTS (continued)

The following table sets out the carrying values and estimated fair values of the Company's financial instruments as of December 31, 2018 and 2017:

	December 31, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Cash and cash equivalents	1,950,775	1,950,775	751,901	751,901
Time deposits	464,656	464,656	1,279,068	1,279,068
Accounts receivable				
Trade				
Third parties	16,346	16,346	10,046	10,046
Others				
Related parties	1,513	1,513	16,807	16,807
Third parties	19,916	19,916	30,269	30,269
Short-term investments	86,068	86,068	127,509	127,509
Security deposits	1,129	1,129	1,379	1,379
Other non-current assets	18,240	16,019	6,990	6,823
Total	**2,558,643**	**2,556,422**	**2,223,969**	**2,223,802**
Financial Liabilities				
Accounts payable - third parties				
Trade	909,334	909,334	949,543	949,543
Others	31,468	31,468	6,878	6,878
Accrued expenses	55,193	55,193	43,528	43,528
Total	**995,995**	**995,995**	**999,949**	**999,949**

29. SUPPLEMENTARY CASH FLOWS INFORMATION

		Year Ended December 31,	
	Note	2018	2017
ACTIVITY NOT AFFECTING CASH FLOWS			
Increase (decrease) in fair value of available-for-sale financial assets - net	7	(4,651)	4,035

30. EVENT AFTER REPORTING DATE

On February 15, 2019, the Company has sold its 20,000,000 treasury shares with selling price of Rp1,775 (full amount) per share totalling to Rp35,500 and resulted a gain of Rp17,283.