

PT NUSAUTAMA MEDICALINDO AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2020

CONSOLIDATED FINANCIAL STATEMENT

31 MARCH 2020

Directors' Statement

In accordance with a resolution of the directors of PT Nusautama Medicalindo and subsidiary (the "Group"), in the opinion of the directors:

- (a) the consolidated financial statements of the Group are drawn up so as to present fairly the consolidated financial position as at 31 March 2020, and its operating results and cash flows for the year then ended; and
- (b) the consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards.

For and on behalf of the Board of Directors,



PT. Nusautama Medicalindo

Naveen Kumar Mantha

President Director



INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

PT NUSAUTAMA MEDICALINDO

We have audited the accompanying consolidated financial statements of PT Nusautama Medicalindo (the "Company") and its subsidiary, which comprise the consolidated statement of financial position as at 31 March 2020, and the consolidated 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 consolidated financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Nusautama Medicalindo as of 31 March 2020 and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan

WTC 3, Jl. Jend. Sudirman Kav. 29-31, Jakarta 12920 – Indonesia

T: +62 21 50992901 / 31192901, F: +62 21 52905555 / 52905050, www.pwc.com/id



Emphasis of matters

We draw attention to Note 35 to these consolidated financial statements, which describes the uncertainty related to overall financial impact of the Coronavirus Disease 2019 ("the COVID-19 Outbreak") to the Group. Our opinion is not modified in respect of this matter.

JAKARTA,
7 August 2020

A handwritten signature in black ink, appearing to read "Tjhin Silawati", written over a light blue horizontal line.

Tjhin Silawati, S.E.
License of Public Accountant No. AP.1123

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	192,871,091	33,551,278
Trade receivables	8	114,440,188	89,103,328
Other receivables	9	18,863,207	231,672
Loan receivables	28b	-	11,300,000
Inventories	10	26,932,416	15,436,355
Advances and prepayments		<u>6,014,495</u>	<u>3,757,039</u>
		<u>359,121,397</u>	<u>153,379,672</u>
NON-CURRENT ASSETS			
Loan receivables	28b	-	268,097,582
Fixed assets	11	799,706,664	149,067,289
Intangible assets		78,780	78,780
Goodwill	12	665,983,866	-
Deferred tax assets	16c	3,409,570	1,751,469
Prepaid pension expense	23	522,170	1,434,241
Advance for purchase of fixed assets		5,534,569	-
Other non-current assets		<u>397,515</u>	<u>-</u>
		<u>1,475,633,134</u>	<u>420,429,361</u>
TOTAL ASSETS		<u><u>1,834,754,531</u></u>	<u><u>573,809,033</u></u>

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	13	41,007,498	28,200,695
Other payables	14	20,816,610	10,321,506
Taxes payable			
- Corporate income taxes	16a	20,557,266	9,903,951
- Other taxes	16a	4,826,420	2,437,776
Accruals	15	66,514,544	54,747,200
Bank loans	17	47,000,000	-
Unearned rental income		525,510	738,618
Finance lease liabilities		34,515	196,929
Deposits from tenants and patients		<u>1,519,029</u>	<u>1,112,152</u>
		<u>202,801,392</u>	<u>107,658,827</u>
NON-CURRENT LIABILITIES			
Bank loans	17	182,272,013	-
Loan from related party	18, 28b	186,806,933	-
Deferred tax liabilities	16c	47,645,192	-
Employee benefit obligations	23	<u>6,806,868</u>	<u>-</u>
		<u>423,531,006</u>	<u>-</u>
TOTAL LIABILITIES		<u>626,332,398</u>	<u>107,658,827</u>
EQUITY			
Equity attributable to owners of the parent:			
Share capital – authorised, issued and			
fully paid 3,895,709,319 ordinary shares with			
par value of USD 0.01 (Rp 100 - full amount)			
per share (2019: authorised, issued and fully			
paid 2,977,915,700 ordinary shares with			
par value of USD 0.01 (Rp 100 - full amount)			
per share	19	389,570,932	297,791,570
Foreign exchange difference on			
paid-in capital	20	(8,321,924)	(8,321,924)
Additional paid-in capital	21	544,655,438	-
Other equity component	18	130,809,679	-
Retained earnings		<u>210,425,436</u>	<u>176,680,560</u>
		1,267,139,561	466,150,206
Non-controlling interest	22	(58,717,428)	-
TOTAL EQUITY		<u>1,208,422,133</u>	<u>466,150,206</u>
TOTAL LIABILITIES AND EQUITY		<u>1,834,754,531</u>	<u>573,809,033</u>

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Net revenue	24	682,311,464	451,824,909
Cost of revenues	25	<u>(451,754,916)</u>	<u>(250,933,808)</u>
Gross profit		230,556,548	200,891,101
General and administrative expenses	25	(170,975,178)	(102,830,460)
Selling and marketing expenses	25	(5,334,396)	(1,088,167)
Finance costs	26	(33,800,195)	(102,882)
Finance income	27	18,650,968	22,432,492
(Loss)/gain on foreign exchange, net		(1,564,779)	74,916
Others, net		<u>810,944</u>	<u>(6,137,171)</u>
Profit before income tax		38,343,912	113,239,829
Income tax expenses	16b	<u>(40,853,894)</u>	<u>(33,933,853)</u>
(Loss)/profit for the year		(2,509,982)	79,305,976
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Remeasurement of employee benefits obligations		3,092,567	10,649,243
Related income tax		<u>(282,026)</u>	<u>(2,662,311)</u>
Total other comprehensive income, net of tax		<u>2,810,541</u>	<u>7,986,932</u>
Total comprehensive income for the year		<u>300,559</u>	<u>87,292,908</u>
(Loss)/profit for the year attributable to:			
- Owners of the parent		31,531,843	79,305,976
- Non-controlling interest		<u>(34,041,825)</u>	<u>-</u>
		<u>(2,509,982)</u>	<u>79,305,976</u>
Total comprehensive income attributable to:			
- Owners of the parent		33,744,876	87,292,908
- Non-controlling interest		<u>(33,444,317)</u>	<u>-</u>
		<u>300,559</u>	<u>87,292,908</u>

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

PT NUSAUTAMA MEDICALINDO AND SUBSIDIARY

Schedule 3

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

Notes	Attributable to owners of the parent					Total	Non-controlling interest	Total
	Share capital	Additional paid-in capital	Foreign exchange rate difference on paid-in capital	Other equity component	Retained earnings			
Balance as at 1 April 2018	297,791,570	-	(8,321,924)	-	89,387,652	378,857,298	-	378,857,298
Profit for the year	-	-	-	-	79,305,976	79,305,976	-	79,305,976
Other comprehensive income for the year, net of tax	-	-	-	-	7,986,932	7,986,932	-	7,986,932
Balance as at 31 March 2019	297,791,570	-	(8,321,924)	-	176,680,560	466,150,206	-	466,150,206
Loss for the year	-	-	-	-	31,531,843	31,531,843	(34,041,825)	(2,509,982)
Issuance of shares	21 91,779,362	521,217,432	-	-	-	612,996,794	-	612,996,794
Share based awards	21 -	10,539,006	-	-	-	10,539,006	-	10,539,006
Equity component of compound financial instrument	18 -	-	-	130,809,679	-	130,809,679	-	130,809,679
Difference arising from the disposal of subsidiary to the entity under common control	21 -	12,899,000	-	-	-	12,899,000	-	12,899,000
Acquisition of subsidiary	-	-	-	-	-	-	(25,273,111)	(25,273,111)
Other comprehensive income for the year, net of tax	-	-	-	-	2,213,033	2,213,033	597,508	2,810,541
Balance as at 31 March 2020	<u>389,570,932</u>	<u>544,655,438</u>	<u>(8,321,924)</u>	<u>130,809,679</u>	<u>210,425,436</u>	<u>1,267,139,561</u>	<u>(58,717,428)</u>	<u>1,208,422,133</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Profit before income tax	38,343,912	113,239,829
Adjustments to reconcile profit before income tax to net cash flows from operating activities:		
Depreciation	107,488,218	19,293,587
Amortisation	-	5,561
Loss on disposal of fixed assets	316,513	78,455
Finance costs	64,987	102,882
Interest expense from bank loans and loan from related party	5,694,014	-
Interest expense from liability component of loan from related parties	28,041,194	-
Interest income from loan to subsidiary	(6,697,703)	(21,311,266)
Interest income from liability component of loan from subsidiary	(7,723,384)	-
Finance income	(4,229,881)	(1,121,226)
Write-off of inventory	238,845	400,490
Unrealised foreign exchange loss	711,384	166,954
Provision for impairment of trade receivables	4,235,053	3,048,787
Employee benefits expenses	5,077,379	4,240,541
Provision for shared based awards	10,539,006	-
Operating cash flows before changes in assets and liabilities	182,099,537	117,977,640
Changes in assets and liabilities:		
Trade receivables	6,158,025	(8,078,611)
Other receivables	(1,755,810)	6,720,418
Inventories	(2,157,709)	(7,249)
Advances and prepayments	1,819,534	655,494
Other non-current assets	(397,515)	-
Trade payables	9,965,808	1,793,956
Other payables	(7,462,000)	(3,098,732)
Taxes payable - others	(321,038)	161,713
Accruals	(15,174,595)	20,083,685
Unearned rental income	(213,107)	253,243
Deposits from tenants and patients	406,877	872,887
Receipt of finance income	4,229,881	1,121,226
Payment of finance costs	(64,987)	-
Employer's contribution to pension fund	(200,000)	(2,200,000)
Payment of corporate income taxes	(44,704,599)	(28,999,897)
Payment for tax assessments	(1,535,707)	-
Payment of employee benefits obligations	(385,231)	(457,455)
Net cash generated from operating activities	<u>130,307,364</u>	<u>106,798,318</u>
Cash flows from investing activities		
Acquisition of fixed assets	(18,895,859)	(37,656,379)
Advance purchase of fixed assets	(2,719,596)	-
Proceeds from sale of fixed assets	28,579	-
Acquisition of subsidiary, net of cash acquired	12,232,426	-
Loan receivables provided to subsidiary	(22,617,441)	(111,019,613)
Interest received from loan receivables	1,379,690	31,297,791
Interest received from liability component of loan receivables	6,697,703	-
Repayment from loan receivables	-	922,031
Net cash used in investing activities	<u>(23,894,498)</u>	<u>(116,456,170)</u>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2020</u>	<u>2019</u>
Cash flows from financing activity		
Proceeds from bank loans	81,000,000	-
Repayment of bank loans	(21,500,000)	-
Payment of interest expense from bank loans	(2,704,013)	-
Payment of interest expense from liability component of loan from related party	(3,718,926)	-
Payment of finance lease liabilities	<u>(162,413)</u>	<u>(189,273)</u>
Net cash flows from/(used in) financing activities	<u>52,914,648</u>	<u>(189,273)</u>
Net decrease in cash and cash equivalents	159,327,514	(9,847,125)
Cash and cash equivalents at the beginning of the year	33,551,278	43,398,403
Effect of exchange rate changes on cash and cash equivalents	<u>(7,701)</u>	<u>-</u>
Cash and cash equivalents at the end of the year	<u><u>192,871,091</u></u>	<u><u>33,551,278</u></u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

PT Nusautama Medicalindo (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 Year 1967 as amended by Law No. 11 year 1970 based on Notarial Deed No. 42 of Adam Kasdarmadji, S.H. dated 4 February 1994. The deed of establishment was approved by the Ministry of Law and Human Rights in its decision letter No. C2- 16.748.HT.01.01.TH.94 dated 8 November 1994 and published in State Gazette No. 25 dated 28 March 1995. The Company's articles of association have been amended several times, most recently by Notarial Deed No. 88 of Jose Dima Satria, S.H., M.kn dated 24 April 2019, regarding increase in authorised, issued and fully paid shares capital and changes in shareholders composition. This amendment was acknowledged by Minister of Law and Human Rights through the letter No. AHU.0022536.AH.01.02.TAHUN 2019, dated 25 April 2019. Refer to Note 19.

The Company's office and its hospital (Rumah Sakit Columbia Asia Medan) are located at Jl. Listrik No.2A, Medan, North Sumatra.

In accordance with Article 3 of the Company's articles of association, the scope of its activities is mainly to engage in the establishment and operation of hospital, including its related infrastructure and facilities, and to undertake all other related activities necessary to achieve its objective.

The Company's ultimate parent is HLT Healthcare Holdings Limited ("HLT") .

The members of the Group's Board of Commissioners and Directors as at 31 March 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Board of Commisioners		
President Commissioner :	Chan Boon Kheng	Mahendran Renganathan
Vice President Commissioner :	Mahendran Renganathan	Dilip Kadambi
Board of Directors		
President Director :	Naveen Kumar Mantha	Ravi Raj Sivaraj
Directors :	Edok Sudadio	Fitriansyah Monasfaly
		Edok Sudadio
		Naveen Kumar Mantha

In June 2019, the Company acquired 67% ownership in PT Belefina Sarana Medika ("Subsidiary"). The Company effectively consolidated BSM since 30 June 2019. Refer to Note 5.

The Subsidiary is domiciled in Jakarta, Indonesia and commenced its commercial operations in 2014 and its main activities is to engage in the hospital services. As at 31 March 2020, the Subsidiary has total assets before elimination amounted to Rp 530,789,891.

The Subsidiary currently owns and operates the following hospitals:

- Rumah Sakit Columbia Asia Pulomas, a hospital in Pulomas, East Jakarta, which is operated under the Ministry of Health license No. 32/2.5/31/-1.77/2015 dated 24 July 2015, renewable upon expiration on 24 July 2020.
- Rumah Sakit Columbia Asia Semarang, a hospital in Semarang, Central Java, which is operated under the Ministry of Health license No. 445/3250/2015 dated 14 July 2015, renewable upon expiration on 14 July 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL (continued)

The Subsidiary has submitted the extension of operating license of both hospitals to the Ministry of Health on 13 March 2020. Management believes that the extension of the operating license can be obtained.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group were prepared in accordance with Indonesian Financial Accounting Standards and authorised by the Directors on 7 August 2020.

Presented below are the summary of significant accounting policies adopted in preparing the consolidated financial statements of the Group.

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared on the basis of the historical cost concept and the accrual concept, except for the consolidated statement of cash flows. The consolidated statement of cash flows has been prepared using the indirect method by classifying cash flows on the basis of operating, investing and financing activities.

Figures in the consolidated financial statements are rounded to and expressed in thousands of rupiah ("Rp"), unless otherwise stated.

The preparation of consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Changes to the Statements of Financial Accounting Standards ("SFAS") and Interpretations of Statements of Financial Accounting Standards ("ISFAS")

The adoption of new/revised standards and interpretations, which are effective from 1 April 2019 and relevant to the Group's operations, but did not result in a significant effect on the consolidated financial statements are as follows:

- Amendment to SFAS 22 "Business Combination"
- Amendment to SFAS 24 "Employee Benefits"
- Amendment to SFAS 46 "Income Taxes"
- ISFAS 33 "Foreign Currency Transactions and Advance Consideration"
- ISFAS 34 "Uncertainty over Income Tax Treatments"

New standards, amendments and interpretations issued which are relevant for the Group but not yet effective for the financial year beginning or after 1 April 2019 are as follows:

- Amendment to SFAS 1 "Presentation of Financial Statements"
- SFAS 22 "Business Combination"
- SFAS 25 "Accounting Policies, Changes in Accounting Estimates and Errors"
- SFAS 71 "Financial instruments"
- SFAS 72 "Revenue from contracts with customers"
- SFAS 73 "Leases"

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**a. Basis of preparation (continued)**

Early adoption of the above standards is permitted, except for SFAS 73 "Leases". Early adoption for SFAS 73 "Leases" is permitted only if the Group apply SFAS 72 "Revenue from Contracts with Customers".

As at the authorisation date of these consolidated financial statements, the Group is still evaluating the potential impact of these standards and interpretations to its consolidated financial statements.

b. Principles of consolidation

The consolidated financial statements include the financial statements of the Group and its subsidiary.

A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date on which that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued at the date of acquisition. The consideration transferred includes the fair value of any assets or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the subsidiary, and the acquisition date fair value of net identifiable assets acquired is recorded as goodwill (see Note 2J for the accounting policy of goodwill).

The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Non-controlling interest is reported as equity in the consolidated statement of financial position, separate from the owner of the parent's equity.

In a business combination achieved in stages, the Group remeasures its previously held interest at its acquisition date at fair value and recognises the resulting gain or loss in consolidated profit or loss. Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognised in the consolidated profit or loss.

All material intercompany transactions, balances, unrealised gains and losses on transactions between Group companies are eliminated.

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**c. Transactions with related parties**

The Group has transactions with related parties. The definition of related parties used is in accordance with SFAS 7 "Related party disclosures".

All significant transactions and balances with related parties are disclosed in the Note 28.

d. Foreign currency translation

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the "functional currency"). The consolidated financial statements are presented in Rupiah ("Rp"), which is the functional currency of the Group.

Foreign currency transactions are translated into Rupiah at the exchange rate prevailing at the date of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

e. Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

a) Financial assets

The Group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investment and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

As at 31 March 2020, the Group only had financial assets classified as loans and receivables, which consist of cash and cash equivalents, trade receivables and other receivables.

Loans and receivables are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method unless the impact of discounting is not significant. They are included in current assets, except for maturities greater than 12 months since the end of the reporting period. Financial assets are derecognised when the rights to receive cash flow has expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**e. Financial instruments (continued)****b) Financial liabilities and equity instruments**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The Group classifies its financial liabilities into two categories: at fair value through profit or loss and financial liabilities measured at amortised cost.

As at 31 March 2020, the Group only had financial liabilities measured at amortised cost, which consists of trade payables, other payables, accruals, bank loans, finance lease liabilities, and loan from related party. After initial recognition which is at fair value plus transaction costs, the Group measures all financial liabilities at amortised cost using effective interest rates method, unless the impact of discounting is not significant. Financial liabilities are derecognised when extinguished.

As at 31 March 2020, the Group had compound financial instruments which were comprised of loans from related party attached with warrants that can be converted into a fixed number of shares of BSM.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**e. Financial instruments (continued)****d) Impairment of financial assets**

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

f. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash in banks and time deposits with original maturities of three months or less, net of bank overdrafts, if any.

g. Trade and other receivables

Trade receivables are amounts due from customers related to the sale of goods and services rendered in the ordinary course of business. Other receivables are receivables from transactions other than sale of goods and services.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the impact of discounting is not significant, less any provision for impairment.

Provision for impairment of receivables is recognised based on a review of the collectability of outstanding amounts at year end. The impaired receivables are written off during the period in which they are determined to be not collectible.

h. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted-average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

i. Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land is not depreciated. Initial legal costs incurred to obtain legal rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to extension of land rights are recognised as intangible assets and amortised during the period of the land rights.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**i. Fixed assets (continued)**

Depreciation is calculated using the straight line method based on the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	5 - 25
Medical tools and equipment	7 - 8
Transportation equipment	4 - 8
Furnitures, fixtures and other equipment	2 - 10

The assets' residual values, useful lives and depreciation method are reviewed and adjusted if appropriate at the end of reporting period.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation are eliminated from the financial statements, and the resulting gains or losses are recognised in the consolidated profit or loss.

Construction in progress is stated at historical cost and presented as part of fixed assets. The accumulated costs are reclassified to the appropriate fixed assets account when the construction is completed, and the asset is ready for its intended use. Depreciation is charged from the date the asset is ready for use in the manner intended by management.

j. Goodwill

Goodwill represents the excess of the aggregate of consideration transferred, the fair value of the identifiable net assets and liabilities assumed of the acquired subsidiary, at the effective date of acquisition.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is carried at cost less accumulated impairment losses. Impairment losses relating to goodwill are not reversible.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**k. Impairment of non-financial assets except goodwill**

Non-financial assets except goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels unit for which there is separately identifiable cash flow (cash generating units). Non-financial assets other than goodwill that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

Reversal on impairment loss for assets other than goodwill would be recognised if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be recognised on the consolidated profit or loss.

l. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the impact of discounting is not significant.

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

m. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**n. Intangible assets**

Intangible assets comprises landright.

The legal cost of landright upon acquisition of the land is recognised as part of the acquisition cost of land under fixed assets.

The cost of renewal or extension of legal rights on land is recognised as an intangible asset and amortised over the period of land rights as stated in the contract or economic life of the asset, whichever is shorter.

o. Employee benefits**Short-term employee benefits**

Short-term employee benefits are recognised when they are accrued to the employees.

Post-employment benefits

In accordance with Labour Law No. 13/2003 ("Law 13/2003"), the Group is required to provide pension benefits, with minimum benefits as stipulated in Law 13/2003, which represents a defined benefit obligation. Accordingly, the Group has defined benefit plans and provided to all permanent employees. For the purpose of funding the benefit obligation payment, the Group has included all of its permanent employees on pension plan administered by Dana Pensiun Lembaga Keuangan PT Bank Mandiri Tbk.

The post-employment benefits obligation is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using the yield at the reporting date of long-term government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in Rupiah in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment benefits.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are directly recognised in other comprehensive income. Accumulated remeasurements are reported in retained earnings.

Past service costs are recognised immediately in the consolidated profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**o. Employee benefits (continued)****Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

p. Provision

Provision is recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

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

q. Taxation

The income tax expenses are comprised of current and deferred income taxes. Income tax expense is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax expense is recognised in other comprehensive income or directly in equity, respectively. The current income tax is calculated using tax rates that have been enacted at the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted at the reporting date and that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Management periodically evaluates positions taken in tax returns with respect to situations in which an applicable tax regulation is subject to interpretations. Where appropriate, it establishes provisions based on the amounts expected to be paid to the tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**r. Revenue and expenses**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, net of discounts, and excluding Value Added Taxes ("VAT").

Revenue from pharmacy, inpatient and outpatient care services are recognised at the point of sale. Revenue from inpatient and outpatient care services are recognised upon delivery of services to the patients. Patient care services revenue are recorded net of the related physician's fee. Revenue from cafeteria is recognised at the point of sale.

Expenses are recognised when they are incurred.

s. Shared based awards

The Group's eligible employees are granted with the shares of the International Columbia US LLC ("ICU") through cash settled payment which will vest after a four years period. The fair value of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sale growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The amount to be expensed is recognised over the vesting period based on the straight line method and determined based on the fair value of the shares granted at the grant date.

3. FINANCIAL RISK MANAGEMENT**a. Financial risk factors**

The Group's activities expose it to a variety of financial risks, market risks (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management program are designed to ensure that adequate financial resources are available for operation and development of its business, while managing exposure of the Group's financial risks.

Market risk**(i) Foreign exchange risk**

The Group is exposed to foreign exchange risk arising from cash in banks and other payables that are denominated in a currency other than the Group's functional currency which is Rupiah. The currencies that give rise to the foreign exchange risk to the Company are primarily the Malaysia Ringgit (MYR), Singapore Dollar (SGD) and United States Dollar (USD).

The Group did not hedge its foreign currency exposure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**a. Financial risk factors** (continued)**Market risk** (continued)**(i) Foreign exchange risk** (continued)

As at 31 March 2020, the exchange rate in full amount for MYR 1, SGD 1 and USD 1 were Rp 3,791, Rp 11,495 and Rp 16,367, respectively (2019: Rp 3,490, Rp 10,507 and Rp 14,244).

As at 31 March 2020, if Rupiah had weakened/strengthened by 10% against MYR, SGD and USD with all other variables held constant, the Group's loss for the year would have been Rp 206,130 (2019: Rp 560,122) higher/lower as a result of foreign exchange (losses)/gain on the translation of net monetary liabilities position denominated in foreign currency.

(ii) Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the interest rate risk relates primarily to the loan from related party with fixed rate and the long-term bank loans with floating interest rates which are not hedged.

As at 31 March 2020 and 2019, if interest rates on the bank loans and loan from related party had been 50 basis points higher/lower with all other variables held constant, the Group's loss for the year would have been higher/lower by Rp 126,507 and Rp nil, respectively.

Credit risk

Credit risk arises from cash in banks, trade receivables, other receivables and loan receivables. The carrying amount of financial assets in the Group's consolidated statement of financial position represents the maximum credit risk exposure. The Group's exposure to credit risk arises from default of the counterparties.

Cash in banks are placed with highly reputable domestic banks.

Trade receivables that were not yet overdue and were overdue but not impaired relate to a number of independent customers with whom there is no recent history of default (refer to Note 8).

The other receivables represent expense reimbursement from PT Columbia Asia, an entity under common control and therefore management believes that the risk of uncollectability is low.

Liquidity risk

Liquidity risk arises in situations where the Group has difficulties in obtaining funding. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

3. FINANCIAL RISK MANAGEMENT (continued)**a. Financial risk factors** (continued)**Liquidity risk** (continued)

The table below summarises the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including estimated interest payments.

	Contractual maturities of financial liabilities		
	Less than one year	More than one year	Total
31 March 2020			
Trade payables	41,007,498	-	41,007,498
Other payables	20,816,610	-	20,816,610
Accruals	66,514,544	-	66,514,544
Finance lease liabilities	47,090	-	47,090
Bank loans	66,243,230	219,339,440	285,582,670
Loan from related party	-	460,097,009	460,097,009
	<u>194,628,972</u>	<u>679,436,449</u>	<u>874,065,421</u>
31 March 2019			
Trade payables	28,200,695	-	28,200,695
Other payables	10,321,506	-	10,321,506
Accruals	54,747,200	-	54,747,200
Finance lease liabilities	210,136	-	210,136
	<u>93,479,537</u>	<u>-</u>	<u>93,479,537</u>

b. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

c. Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values because of their short-term maturities or they carry market interest rate, except the compound financial instruments from related party, with fair value as follows:

	31 March 2020	
	Contractual amount	Carrying value
Loan from related party	460,097,009	186,806,933

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates. The estimates, assumptions and judgements that have a significant effect on the carrying amounts of assets and liabilities are disclosed below.

Acquisitions of subsidiaries

The initial process on the acquisition of subsidiary involves identifying and determining the fair values to be assigned to the identifiable assets, liabilities and contingent liabilities of the acquired entities. The fair values of fixed assets and intangible assets are determined by independent valuers by reference to market prices or present value of expected net cash flows from the assets. Any changes in the assumptions used and estimates made in determining the fair values will impact the carrying amount of these assets and liabilities.

Impairment of trade receivables

The Group assesses its receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce difference between loss estimate and actual loss. The carrying amount of receivables is disclosed in Note 8.

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost for pensions include the future salary increase and the discount rate. Any changes in these assumptions will typically have a material impact on the carrying amount of employee benefits obligations.

The Group determines the appropriate discount rate and future salary increase at the end of each reporting period. The discount rate is rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the yield at the reporting date of long-term government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related employee benefit obligations.

For the rate of future salary increase, the Group collects all historical data relating to changes in base salaries and adjusts it for future business plans. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)**Estimated useful lives of fixed assets**

The Group estimates the useful lives of its fixed assets based on expected asset utilisation as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at the end of each reporting period and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

Impairment of non-financial assets

The Group tests annually whether goodwill suffered any impairment. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less costs to sell and its value in use, based on the appraisal report for fixed assets and on the basis of management's assumptions and estimates for goodwill.

The determination of fair value and value in use requires appraisal to make estimates and assumptions. These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these valuation, which may have an impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired, or the impairment charge reduced, with the impact recorded in the consolidated profit or loss.

Income taxes

Significant judgment is required in determining the provision for uncertain tax position. The Group determines whether liabilities for uncertain tax position are necessary to be recognised based on management's view and estimates on the subject matters. Where the outcome of these matters is different from the amount that was initially recorded, such differences will impact the current and deferred income tax provision in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2020

(Expressed in thousands of Rupiah, unless otherwise stated)

5. BUSINESS COMBINATION

On 24 April 2019, the Company acquired 67% loan with warrant of BSM from PT Belefina Nusantara ("BN") and Universal Medicare Pte Ltd ("UMPL") in total amount of Rp 612,996,793 in exchange with the shares of the Company (Note 19). On 30 June 2019, the Company acquired 67% equity interest in BSM or equivalent to 1,675 shares amounted to Rp 1,675,000. These transactions are considered as linked transactions with one consideration paid for acquisition BSM.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised at acquisition date:

	<u>30 June 2019</u>
Consideration transferred:	
Issuance shares of the Company	612,996,794
Cash paid for shares of the subsidiary	<u>1,675,000</u>
Total consideration	<u><u>614,671,794</u></u>

The recognised amount of identifiable net liabilities acquired of the acquisition date:

	<u>Fair value</u>
Cash and cash equivalents	13,907,426
Other current assets	52,176,715
Fixed assets	738,224,000
Other non-current assets	4,183,074
Other current and non-current liabilities	(824,683,345)
Deferred tax liabilities (Note 16c)	<u>(60,393,053)</u>
Total identifiable net liabilities	<u>(76,585,183)</u>
Non-controlling interests	25,273,111
Goodwill (Note 12)	<u>665,983,866</u>
	<u><u>614,671,794</u></u>

The table below is the reconciliation of the cash flow payment and received from the acquisition of BSM:

	<u>30 June 2019</u>
Cash consideration paid	1,675,000
Less:	
Balance of cash and cash equivalents acquired	<u>(13,907,426)</u>
Net cash inflow - investing activities	<u><u>(12,232,426)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

5. BUSINESS COMBINATION (continued)

The fair value of the identifiable assets and liabilities of BSM are determined based on an appraisal report issued by KJPP Firman Suryantoro, Sugeng, Suzy, Hartono & Rekan, an independent valuer, in its report dated 30 June 2019.

Goodwill arising from the acquisition is primarily attributable to the expected profitability and synergy arising from the acquired business. Refer to Note 12 for further disclosure on goodwill.

The non-controlling interest has been recognised as a proportion of the net assets acquired (exclude loan and warrant portion of the Company).

Since the acquisition date up to 31 March 2020, BSM has contributed revenue and net loss of Rp 171,135,190 and Rp 141,949,094, respectively.

6. DIFFERENCE ARISING FROM THE TRANSACTION WITH ENTITY UNDER COMMON CONTROL

Based on Notarial Deed No. 17 dated 15 October 2019 of Jose Dima Satria, S.H., M.Kn., BSM (Subsidiary) sold all of its ownership (99.99%) held in PT Ayuba Utama ("AU") to International Columbia US, LLC., at total consideration of Rp 12,899,000. As the result, BSM lost the control over AU. As at the transaction date, AU was a dormant company and its total assets before elimination is amounted to Rp nil.

The transaction fall under a transaction under common control. Based on SFAS 38 "Business Combination of Entities Under Common Control", the difference between the transfer price and the book value of net assets/(liabilities), including retained interest and change in non-controlling interest arising from restructuring transaction of entities under common control of Rp 12,899,000 is recorded as "additional paid-in capital" and presented as a component of the equity section in the consolidated statement of financial position.

As at 31 March 2020, the agreed consideration above has not been paid and was recorded as other receivables. BSM received the payment on 17 June 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

7. CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
Cash on hand	829,802	792,497
Cash in banks	30,002,184	17,449,293
Time deposits	<u>162,039,105</u>	<u>15,309,488</u>
	<u><u>192,871,091</u></u>	<u><u>33,551,278</u></u>

The interest rates on time deposits for period 2020 ranged from 6.00% - 6.50% (2019: 6.75% to 7.25%).

8. TRADE RECEIVABLES

	<u>2020</u>	<u>2019</u>
Third parties	127,650,339	97,543,445
Less:		
Provision for impairment of trade receivables	<u>(13,210,151)</u>	<u>(8,440,117)</u>
	<u><u>114,440,188</u></u>	<u><u>89,103,328</u></u>

As at 31 March 2020, trade receivables of Rp 70,726,885 (2019: Rp 57,495,359) were past due but not impaired. These related to a number of independent customers with no recent history of default.

As at 31 March 2020, trade receivables of Rp 13,210,151 (2019: Rp 8,440,117) were past due and impaired.

The aging of these receivables are as follows:

	<u>2020</u>	<u>2019</u>
Not yet past due	43,713,303	31,607,969
Overdue 1-90 days	55,896,565	43,825,593
Overdue 91-120 days	6,613,019	4,230,256
Over 120 days	<u>21,427,452</u>	<u>17,879,627</u>
	<u><u>127,650,339</u></u>	<u><u>97,543,445</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

8. TRADE RECEIVABLES (continued)

Movement in the provision for impairment of trade receivables is as follows:

	<u>2020</u>	<u>2019</u>
Beginning balance	8,440,117	5,927,743
Addition of provision from acquisition of a subsidiary	1,731,217	-
Provision during the year	4,235,053	3,048,787
Write-off	<u>(1,196,236)</u>	<u>(536,413)</u>
	<u>13,210,151</u>	<u>8,440,117</u>

Management believes that the provision for impairment of trade receivables is adequate to cover losses on uncollectible trade receivable.

Trade receivables of the Subsidiary with total carrying amount of Rp 36,279,123 are pledged as collateral for bank loan as disclosed in Note 17.

9. OTHER RECEIVABLES

	<u>2020</u>	<u>2019</u>
Third parties	13,564,642	231,672
Related party (Note 28)	<u>5,298,565</u>	<u>-</u>
	<u>18,863,207</u>	<u>231,672</u>

Other receivables from third parties mainly represent receivable from disposal of PT Ayuba Utama (Note 6).

Other receivables from related party mainly represent payment of expenses on behalf of the Group's related party.

These receivables bear no interest and are collectible on demand. No allowance for impairment losses was provided as management believes that these receivables are fully collectible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

10. INVENTORIES

	<u>2020</u>	<u>2019</u>
Medicine	16,001,880	8,803,704
Medical supplies	5,096,009	2,733,051
Others	<u>5,834,527</u>	<u>3,899,600</u>
	<u>26,932,416</u>	<u>15,436,355</u>

Management believes that there was no provision for impairment of inventories needed.

Inventories of the Subsidiary with total carrying amount of Rp 8,759,037 are pledged as collateral for bank loan as disclosed in Note 17.

11. FIXED ASSETS

	2020				
	Beginning balance	Additions	Disposals	Acquisition of a subsidiary	Ending balance
Acquisition cost:					
Direct acquisition:					
Land	12,318,052	-	-	294,483,000	306,801,052
Buildings and improvements	234,845,768	3,219,804	(209,350)	282,542,470	520,398,692
Medical tools and equipment	118,970,025	10,412,966	(797,599)	128,909,030	257,494,422
Transportation equipment	1,959,600	-	(86,656)	1,539,200	3,412,144
Furniture, fixtures and other equipment	38,083,735	6,615,915	(497,175)	42,750,300	86,952,775
Leased assets:					
Transportation equipment	<u>682,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>682,006</u>
	<u>406,859,186</u>	<u>20,248,685</u>	<u>(1,590,780)</u>	<u>750,224,000</u>	<u>1,175,741,091</u>
Accumulated depreciation:					
Direct acquisition:					
Buildings and improvements	(158,136,212)	(17,181,231)	209,350	-	(175,108,093)
Medical tools and equipment	(76,759,617)	(56,748,350)	509,191	-	(132,998,776)
Transportation equipment	(1,612,934)	(406,668)	77,902	-	(1,941,700)
Furniture, fixtures and other equipment	(21,116,654)	(33,066,718)	449,245	-	(53,734,127)
Leased assets:					
Transportation equipment	<u>(166,480)</u>	<u>(85,251)</u>	<u>-</u>	<u>-</u>	<u>(251,731)</u>
	<u>(257,791,897)</u>	<u>(107,488,218)</u>	<u>1,245,688</u>	<u>-</u>	<u>(364,034,427)</u>
Accumulated impairment losses*)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,000,000)</u>	<u>(12,000,000)</u>
Net book value	<u>149,067,289</u>				<u>799,706,664</u>

*) Impairment was provided mainly for building in Rumah Sakit Columbia Asia Semarang.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

11. FIXED ASSETS (continued)

	2019				
	Beginning	Additions	Reclassification	Disposals	Ending
Acquisition cost:					
Direct acquisition:					
Land	12,318,052	-	-	-	12,318,052
Buildings and improvements	224,213,994	16,343,499	-	(5,711,725)	234,845,768
Medical tools and equipment	107,589,831	11,634,749	-	(254,555)	118,970,025
Transportation equipment	874,272	-	1,237,134	(151,806)	1,959,600
Furniture, fixtures and other equipment	28,764,313	9,678,131	-	(358,709)	38,083,735
Leased assets:					
Transportation equipment	1,919,140	-	(1,237,134)	-	682,006
	<u>375,679,602</u>	<u>37,656,379</u>	<u>-</u>	<u>(6,476,795)</u>	<u>406,859,186</u>
Accumulated depreciation:					
Direct acquisition:					
Buildings and improvements	(158,705,757)	(5,142,180)	-	5,711,725	(158,136,212)
Medical tools and equipment	(67,402,897)	(9,536,357)	-	179,637	(76,759,617)
Transportation equipment	(834,118)	(167,170)	(763,452)	151,806	(1,612,934)
Furniture, fixtures and other equipment	(17,109,196)	(4,362,630)	-	355,172	(21,116,654)
Leased assets:					
Transportation equipment	(844,682)	(85,250)	763,452	-	(166,480)
	<u>(244,896,650)</u>	<u>(19,293,587)</u>	<u>-</u>	<u>6,398,340</u>	<u>(257,791,897)</u>
Net book value	<u>130,782,952</u>				<u>149,067,289</u>

Management believes that the provision for impairment of fixed assets as at 31 March 2020 has been adequate.

The allocation of depreciation expenses was as follows:

	2020	2019
Cost of revenues	78,550,476	14,691,983
General and administrative expenses	<u>28,937,742</u>	<u>4,601,604</u>
	<u>107,488,218</u>	<u>19,293,587</u>

Land, buildings and certain medical equipment of the Subsidiary are used as collateral for bank loan as disclosed in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

12. GOODWILL

Goodwill as of 31 March 2020 was arising from acquisition of BSM (refer to Note 5).

In performing the annual impairment test of goodwill, the recoverable value was assessed by reference to the cash-generating unit's value-in-use. The recoverable amount of the cash-generating unit's value-in-use has been determined using the income approach (a discounted cash flows method). The value is within the category of fair value measurement Level 3.

Key assumptions used in the income approach calculation were as follows:

	<u>2020</u>
Discount rate	11.97%
Growth rate	5%

Based on the assessment, management believes that the carrying amount of goodwill does not exceed its recoverable amount.

13. TRADE PAYABLES

As at 31 March 2020 and 2019, all trade payables of the Group represented payables from third party.

14. OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
Third parties (Note 32)	15,275,379	8,286,632
Related parties (Note 28)	<u>5,541,231</u>	<u>2,034,874</u>
	<u>20,816,610</u>	<u>10,321,506</u>

Other payables from third parties mainly represent payables to Thermal Industries & Supplies (Pte) Ltd and Thermal International (S) Pte Ltd. Refer to Note 32.

Other payables from related parties mainly represent interest expense of loan from related party and reimbursement of expenses made by related parties on behalf of the Group. Refer to Note 28.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

15. ACCRUALS

	<u>2020</u>	<u>2019</u>
Doctors' incentives	43,558,187	36,441,844
Maintenance	3,895,175	-
Salaries and wages	7,606,358	5,720,641
Professional fees	2,671,995	5,773,162
Interest expenses	2,282,666	-
Water, electricity and telephone	1,958,603	903,810
Outsource	578,304	1,215,211
Others	3,963,256	4,692,532
	<u>66,514,544</u>	<u>54,747,200</u>

16. TAXATION**a. Taxes payable**

	<u>2020</u>	<u>2019</u>
Corporate income taxes:		
The Company		
- Article 25	2,377,975	1,704,288
- Article 29	18,179,291	8,199,663
	<u>20,557,266</u>	<u>9,903,951</u>
Other taxes:		
The Company		
- Value Added Tax - net	106,209	398,401
- Article 4(2)	10,215	12,556
- Article 21	1,902,759	1,669,482
- Article 23	19,677	32,346
- Article 26	149,553	154,117
- Others	167,533	170,874
The Subsidiary		
- Value Added Tax - net	167,892	-
- Article 4(2)	306	-
- Article 21	791,877	-
- Article 23	1,037,081	-
- Article 26	473,318	-
	<u>4,826,420</u>	<u>2,437,776</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

16. TAXATION**b. Income tax expenses**

Income tax expenses for the years ended 31 March 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
The Company:		
Current	55,541,882	31,635,262
Deferred	(14,687,988)	(1,023,865)
Prior year adjustment	-	3,322,456
The Subsidiary:		
Current	-	-
Deferred	-	-
	<u><u>40,853,894</u></u>	<u><u>33,933,853</u></u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits on the consolidated entities as follows:

	<u>2020</u>	<u>2019</u>
Consolidated profit before tax	<u>38,343,912</u>	<u>113,239,829</u>
Tax calculated at applicable tax rates	9,585,978	28,309,957
Non-deductible expenses	4,255,997	2,662,246
Income subject to final tax	(1,201,239)	(360,806)
Unrecognised deferred tax		
from temporary difference	(404,011)	-
Impact of changes in tax rates	5,511,784	-
Unrecognised deferred tax assets		
from fiscal loss	23,105,385	-
Prior year adjustment	<u>-</u>	<u>3,322,456</u>
Consolidated income tax expense	<u><u>40,853,894</u></u>	<u><u>33,933,853</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

16. TAXATION (continued)**b. Income tax expenses (continued)**

The reconciliation between the consolidated income tax expenses and the theoretical tax amount on the Company's profit before income tax is as follows:

	<u>2020</u>	<u>2019</u>
Consolidated profit before income tax	38,343,912	-
Net loss before income tax of subsidiary	(135,479,665)	-
Adjusted for consolidation eliminations	<u>296,617,857</u>	<u>-</u>
Profit before income tax of the Company	199,482,104	113,239,829
Fiscal adjustment:		
Provision for impairment of trade receivables	2,487,530	1,583,086
Fair value of loan receivables	5,699,318	-
Employee benefit obligations	2,389,586	2,512,374
Income subject to final tax	(4,120,478)	(1,443,226)
Impact of changes in tax rates	264,562	-
Non-deductible expense	<u>15,964,909</u>	<u>10,648,985</u>
	22,685,427	13,301,219
Estimated taxable income of the Company	<u>222,167,531</u>	<u>126,541,048</u>
Income tax expenses of the Company	55,541,882	31,635,262
Less:		
Prepaid taxes of the Company	<u>(37,362,591)</u>	<u>(23,435,599)</u>
Corporate income tax payable of the Company	<u>18,179,291</u>	<u>8,199,663</u>

In these consolidated financial statements, the amount of taxable income is based on preliminary calculations, as the Company has not yet submitted its annual corporate income tax return when these consolidated financial statement were finalised.

c. Deferred tax assets and liabilities

	<u>2020</u>			
	<u>Beginning balance</u>	<u>Credited to profit or loss</u>	<u>Charged to other comprehensive income</u>	<u>Ending balance</u>
The Company				
Provision for impairment of trade receivables	2,110,029	160,568	-	2,270,597
FV of loan receivables	-	1,253,850	-	1,253,850
Employee benefits obligations	<u>(358,560)</u>	<u>525,709</u>	<u>(282,026)</u>	<u>(114,877)</u>
	<u>1,751,469</u>	<u>1,940,127</u>	<u>(282,026)</u>	<u>3,409,570</u>

(Expressed in thousands of Rupiah, unless otherwise stated)

c. Deferred tax assets and liabilities (continued)

[illegible]

Deferred tax assets of Rp 104,850,833 have not been recognised in respect of accumulated tax losses of Rp 514,405,717. Such losses are derived from subsidiary which will be expired between 2021 to 2025.

d. Administration

The taxation laws of Indonesia require that each company in the Group calculates, assesses, and submits individual tax returns on the basis of self-assessment. Under prevailing regulations, DGT may assess or amend taxes within five years of the time the tax becomes due.

e. Tax assessments

The Company

Fiscal year 2015 (period from 1 April 2015 – 31 March 2016)

In September 2019, the Company received a tax assessment letter confirming an underpayment of corporate income tax amounted to Rp 5,382,905 as opposed to the underpayment reported by the Company amounted to Rp 4,345,265. The Company accepted the result and on 21 November 2019 paid the underpayment and the related tax penalty amounting to Rp 1,037,640 and Rp 498,067, respectively.

In October 2019, the Company also received a tax assessment letter confirming an underpayment of value added tax for period April 2015 - May 2016 amounted to Rp 91,357 and tax collection letter of Rp 458,631. The Company accepted the result and paid the underpayment on 21 November 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

16. TAXATION (continued)**e. Tax assessments (continued)****The Subsidiary**

On 30 October 2019, BSM received tax assessment letter confirming an underpayment of withholding tax 23 for year ended 31 December 2014 of Rp 98,740 and withholding tax 21 for year ended 31 March 2015 of Rp 42,218. BSM agreed with this assessment and charged this underpayment to the current year profit or loss.

BSM is being audited by the Tax Office for all taxes for fiscal year 2016 (period from 1 April 2015 to 31 March 2016). Up to the authorisation date of these consolidated financial statements, the tax audit is still in process.

d. Tax rate changes

On 31 March 2020, the Indonesian Government issued a Government Regulation in Lieu of Law No. 1 Year 2020 ("Perpu No.1 2020") related to the Government's financial policy and financial system stability to cope with the Coronavirus disease ("COVID-19") pandemic. Through this regulation, the Government issued some new policies which, among others related to the change in the corporate income tax rate for domestic taxpayers and permanent establishments as follows:

- corporate income tax of 22% effective for year ended 31 March 2021 and 2022, and
- corporate income tax of 20% effective for year ended 31 March 2023 and onwards

The Group has taken into account the changes in the above tax rates to these consolidated financial statements.

17. BANK LOANS

	<u>2020</u>	<u>2019</u>
PT Bank Danamon Indonesia Tbk ("BDI")	148,772,013	-
Standard Chartered Bank Indonesia ("SCBI")	<u>80,500,000</u>	<u>-</u>
	229,272,013	-
Less:		
Current portion	<u>(47,000,000)</u>	<u>-</u>
Non-current portion	<u><u>182,272,013</u></u>	<u><u>-</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

17. BANK LOANS (continued)Loan from PT Bank Danamon Indonesia Tbk

On 2 April 2018, BSM entered a loan facility agreement with BDI in total amount of Rp 189,772,003. BDI provided maximum credit limit to BSM of Rp 200,000,000 that shall gradually be repaid in 7 years since agreement date and bear floating market interest based on cost of fund + 2.25% per annum. The interest rate is reviewed once every year. In 2020, BSM made principal payments to BDI amounting to Rp 26,000,000 (2019: Rp 15,000,000).

The loan agreement requires several covenants to be fulfilled, such as Debt Service Coverage Ratio ("DSCR") with a minimum of 1.00 starting in the 4th year and 1.25 for 5th year until settled; maximum debt to equity ratio at 2.5 multiplies since the initial drawdown (become 4.0 multiplies when BSM generated positive earning before interest, tax, depreciation and amortisation); and adequacy ratio of the collateral value at least 125% of the total bank loan facility. As collaterals, BSM pledged its land and buildings in Semarang and Pulomas, certain medical equipments and all of its trade receivables and inventories. This loan is also guaranteed by the Company. On 31 March 2020, BSM has obtained waiver letter from BDI related to the breach in certain financial covenants.

Loan from Standard Chartered Bank Indonesia

On 20 June 2019, BSM obtained a financing facility from SCBI with maximum limit of Rp 70,000,000 for committed loan and Rp 40,000,000 for uncommitted loan. This loan agreement has been amended several times, the latest amendment made on 12 December 2019 regarding the update of interest rate beared based on Prime Lending Rate ("PLR") from 9.76% to 9.45% and the maturity of committed loan from 5 years from signing date to 5 years from first drawdown (7 August 2019). The interest rates are reviewed once every 3 months.

The committed loan has a term of 60 months with availability period of 6 months since the signing date of the agreement. The uncommitted loan has a term of 90 days. The total amount drawn down for the above facilities during the year was amounted to Rp 81,000,000. In November 2019, BSM has made principal payments for the uncommitted loan amounted Rp 500,000.

The loan agreement requires several covenants to be fulfilled, such as debt to EBITDA at the maximum of 3.25 on year 1, 3.00 on year 2 and 3, 2.50 on year 4 until 5 and DSCR at the minimum of 1.35.

As collaterals, BSM pledged its land and buildings in Semarang and Pulomas (This security is shared proportionally with BDI as will be provided under Security Sharing Agreement), shares of BSM owned by the Company and BSM and the Company's bank account which used for revenue collections and payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

18. LOAN FROM RELATED PARTY

	<u>2020</u>	<u>2019</u>
Universal Medicare Pte. Ltd ("UMPL")	186,806,933	-
	<u>186,806,933</u>	<u>-</u>

As at 31 March 2020, the loan from related party represents loan of the subsidiary (BSM) to UMPL, a related party.

Previously on 10 July 2012, BSM entered into a non-interest bearing credit facility agreement with ICU and HCHL and along with the loan, BSM issued warrants to ICU and HCHL which are exercisable subject to the terms and condition contained in the agreement.

On 9 April 2019, ICU and HCHL had transferred all of its right and obligation under a non-interest bearing credit facility agreement dated 10 July 2012 to UMPL and PT Belefina Nusantara ("BN"), respectively. On 15 April 2019, UMPL and BN entered into a loan and warrants sale and purchase agreement with the Company for the loan and warrant over BSM for the amount of USD 18,776,913 and USD 18,323,477, respectively, in exchange of the Company's share (Note 19). As the results, the Company and UMPL owned the loan and warrants of BSM amounted to USD 37,100,390 and USD 18,273,326, respectively.

On 24 April 2019, BSM, the Company, UMPL and BN (acting as Guarantor for BSM) agreed to amend the loan and warrant agreement to become as follows:

- Total loan facilities from the Company and UMPL is amended to Rp 939,487,400 and Rp 462,732,600, respectively.
- The total outstanding amount due to the Company and UMPL were Rp 520,229,085 and Rp 256,232,236, respectively.
- The interest rate of the loan facility is 9.50% per annum (previously: 0%).
- UMPL has 33,000,000 warrants, and if all warrants are exercised, BSM will allot and issue 462,732 shares in BSM to UMPL. If the warrants are exercised proportionately, the number of shares to be issued will be pro-rated accordingly.
- The Company has 67,000,000 warrants, and if all warrants are exercised, BSM will allot and issue 939,488 shares in BSM to the Company. If the warrants are exercised proportionately, the number of shares to be issued will be pro-rated accordingly.
- The exercise price of the warrant became Rp 14,022.20 per warrant (previously USD 1 per warrant).
- BN's shares in BSM is pledged as collateral of the respective loan above to the Company and UMPL.
- The repayment date is fifteen years after the date of the drawing of all or a part of the loan for the first time by the borrower under this agreement or earlier date as agreed by the parties.

In these consolidated financial statements, balance and transactions resulting from this agreement between the Company and BSM have been eliminated.

As of 31 March 2020, there is no warrant exercised.

There was no loan drawdown in 2020. The discount rate used for measuring the fair value of the loan at initial recognition was 12.54%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

18. LOAN FROM RELATED PARTY (continued)

As at 31 March 2020, the equity component of the loan amounted to Rp 130,809,679 and it is recorded as part of other equity component in the consolidated statement of financial position. The liability component of the loan is recorded as non-current liabilities in the consolidated statement of financial position and subsequently measured at amortised costs using effective interest method. As at 31 March 2020, the liability component of the loan balance to UMPL from this facility was amounted to Rp 186,806,933.

19. SHARE CAPITAL

Based on Notarial Deed No. 88 of Jose Dima Satria, SH., M.kn. dated 24 April 2019, the General Meeting of Shareholders of the Group decided to increase the authorised share capital and issue new shares of 917,793,619 shares with par value Rp 100 per share. In exchange of the share issuance, the Company obtained a loan with warrant from BSM amounting to Rp 612,996,793. The difference between the par value of the shares issued and the carrying amount of the loan are recorded in additional paid-in-capital (Note 21).

The composition of the Company's shareholders as at 31 March 2020 is as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Universal Medical PTE. Ltd.	3,442,421,082	88	344,242,108
PT Belefina Nusantara	453,288,237	12	45,328,824
	<u>3,895,709,319</u>	<u>100</u>	<u>389,570,932</u>

The composition of the Company's shareholders as at 31 March 2019 was as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Universal Medical PTE. Ltd.	2,680,124,200	90	268,012,420
Mr. Fitriansyah Monasfaly	297,791,500	10	29,779,150
	<u>2,977,915,700</u>	<u>100</u>	<u>297,791,570</u>

20. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the foreign exchange rate at the date of the debt to equity conversion and the foreign exchange rate stated in the Group's Articles of Association.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

21. ADDITIONAL PAID-IN CAPITAL

Details of the additional paid-in capital balance as at 31 March 2020 was as follows:

	<u>2020</u>
Excess of fair value of non-cash consideration over par value (Note 19)	521,217,432
Shared based awards	10,539,006
Difference arising from transaction with entity under common control of the subsidiary (Note 6)	<u>12,899,000</u>
	<u>544,655,438</u>

Excess of fair value of non-cash consideration over par value

Represent the excess of fair value of loan and warrant obtained by the Company from UMPL and PTBN (Note 18) against the par value of the shares issued (Note 19).

Shared based awards

ICU operates a number of cash-settled share-based compensation plan under which the Group receives services from employees as consideration for cash equivalent to the equity instrument (options) of the parent. The award is treated as cash settled in the Group's consolidated financial statements. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period)
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding of shares for a specified period of time).

Non-market vesting conditions and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised upon the consummation of a liquidation event.

The credit to equity is treated as a capital contribution as the parent is compensating the Group's employees with no payment to the Group.

Included in the salaries and allowance expenses is share based payment expenses amounted to Rp 10,539,006 which refers to the Performance Unit Plan (Plan) by ICU to certain officers and key employees of the Group (participants). The Plan entitles the participants to a cash payment from ICU upon the consummation of a liquidation event. The liquidation event was triggered on 13 September 2019 upon the sale of Columbia Asia Healthcare Pte Ltd ("CAHSG") by ICU to HLT Healthcare Holdings Limited ("HLT"). The expense was recorded in the consolidated profit and loss of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

22. NON-CONTROLLING INTEREST

The non-controlling interest as at 31 March 2020 amounted to Rp 58,717,428 was attributed to BSM.

As at 31 March 2020, the summary of financial information for BSM that has material non-controlling interests was as follows:

Summarised statement of financial position as at 31 March 2020:

	<u>2020</u>
Current assets	84,206,238
Non-current assets	446,583,653
Current liabilities	(197,212,637)
Non-current liabilities	<u>(929,334,493)</u>
Total net liabilities	<u><u>(595,757,239)</u></u>

Summarised statement of profit or loss and other comprehensive income for the year ended 31 March 2020:

	<u>2020</u>
Net revenue	<u>237,636,796</u>
Loss for the year	(135,479,665)
Other comprehensive expenses for the year	<u>1,799,352</u>
Total other comprehensive expenses	<u><u>(133,680,313)</u></u>

Summarised statement of cash flows for year ended 31 March 2020:

	<u>2020</u>
Net cash flows generated from operating activities	24,912,063
Net cash flows used in investing activities	(8,692,184)
Net cash flows used in financing activities	<u>(8,801,272)</u>
Net increase in cash and cash equivalents	7,418,607
Cash and cash equivalents at the beginning of the year	12,600,325
Effect of exchange rate changes on cash and cash equivalents	<u>(7,701)</u>
Cash and cash equivalents at the end of the year	<u><u>20,011,231</u></u>

The information above is the amount before intercompany eliminations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

23. EMPLOYEE BENEFITS OBLIGATIONS

The amounts recognised in the statement of financial position were determined as follows:

	<u>2020</u>	<u>2019</u>
Present value of defined benefit obligations	29,318,501	28,841,861
Fair value of plan assets	<u>(29,840,671)</u>	<u>(30,276,102)</u>
Prepaid pension expense	<u>(522,170)</u>	<u>(1,434,241)</u>
Present value of unfunded defined benefit obligations	<u>6,806,868</u>	<u>-</u>

The movement in the present value of defined benefit obligations is as follows:

	<u>2020</u>	<u>2019</u>
At the beginning of the year	28,841,861	39,054,464
Acquisition of subsidiary	6,319,358	-
Current service cost	4,812,910	3,750,155
Interest cost	2,693,487	2,768,521
Benefits paid	(3,014,348)	(5,795,531)
Remeasurements:		
- Change in financial assumptions	(1,590,219)	(9,928,438)
- Change in demographic assumption	(1,194,899)	-
- Experience adjustment on obligation	<u>(742,780)</u>	<u>(1,007,310)</u>
	<u>36,125,370</u>	<u>28,841,861</u>

The movement in the fair value plan assets is as follows:

	<u>2020</u>	<u>2019</u>
At the beginning of the year	30,276,101	31,422,548
Interest income	2,429,018	2,278,135
Contribution from employer	200,000	2,200,000
Benefits paid	(2,629,117)	(5,338,076)
Remeasurements:		
- Return on plan assets	(160,469)	(11,643)
- Others	<u>(274,862)</u>	<u>(274,862)</u>
	<u>29,840,671</u>	<u>30,276,102</u>

The amounts recognised in the profit or loss were determined as follows:

	<u>2020</u>	<u>2019</u>
Current service cost	4,812,910	3,750,155
Net interest expense	<u>264,469</u>	<u>490,386</u>
	<u>5,077,379</u>	<u>4,240,541</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

23. EMPLOYEE BENEFITS OBLIGATIONS (continued)

The actuarial valuation of the employee benefits obligations was prepared by PT Padma Radya Aktuaria, an independent actuary, based on the Group's Collective Labour Agreement and Law No. 13/2003. The actuary used the projected unit credit method with the principal actuarial assumptions as follows:

	<u>2020</u>	<u>2019</u>
Discount rate	8.75%	8.25%
Future salary increase	9%	9%

Through its defined benefit pension plan, the Group is exposed to a number of risks, which are detailed below:

- a. Interest rate risk. The defined benefit obligation calculated under PSAK 24 uses a discount rate on bond yields. If bond yields fall, the defined benefit will tend to increase.
- b. Future salary increase rate. Higher actual increase than expected increase in salary will increase the defined benefit obligation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

<u>Impact of defined benefit obligation</u>			
	<u>Change in assumption</u>	<u>Increase in assumption</u>	<u>Decrease in assumption</u>
Discount rate	1%	Decrease by Rp 2,472,060	Increase by Rp 2,833,361
Future salary increase	1%	Increase by Rp 2,940,384	Decrease by Rp 2,607,360

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The expected maturity analysis of undiscounted defined benefit obligations as of 31 March 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Less than a year	1,115,466	1,061,792
Between 1 and 5 years	12,758,028	9,198,151
Between 6 and 10 years	41,871,021	26,511,321
More than 10 years	<u>309,318,316</u>	<u>152,934,082</u>
	<u>365,062,831</u>	<u>189,705,346</u>

The weighted average duration of the defined benefit obligation as at 31 March 2020 was 13.90 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

24. NET REVENUE

	<u>2020</u>	<u>2019</u>
Inpatients	522,295,404	307,309,834
Outpatients	149,324,352	139,127,679
Others	<u>10,691,708</u>	<u>5,387,396</u>
	<u>682,311,464</u>	<u>451,824,909</u>

25. EXPENSES BY NATURE

The total cost of revenues, general and administrative expenses and selling and marketing expenses are as follows:

	<u>2020</u>	<u>2019</u>
Cost of revenues	451,754,916	250,933,808
General and administrative expenses	170,975,178	102,830,460
Selling and marketing expenses	<u>5,334,396</u>	<u>1,088,167</u>
	<u>628,064,490</u>	<u>354,852,435</u>

Detail by nature:

	<u>2020</u>	<u>2019</u>
Drugs and medical supplies	217,083,696	153,481,939
Salaries and allowance	167,149,498	93,099,456
Depreciation (Note 11)	107,488,218	19,293,587
Repairs and maintenance	31,251,154	13,967,838
Utilities	22,166,523	10,516,524
Laboratory	15,669,196	10,781,638
License and management fees (Note 28)	12,619,376	10,017,634
Food and kitchen supplies	11,932,264	5,551,263
Office and hospital supplies	7,953,675	5,884,406
Professional fees	5,694,046	10,875,638
Senior management service fee (Note 28)	3,815,461	3,748,729
Brochures and advertising	3,717,645	1,434,587
Travelling	3,307,766	1,134,204
Insurance	2,713,477	1,871,096
Provision for impairment of trade receivables (Note 8)	4,235,053	3,048,787
Room services	1,900,787	2,337,433
Garbage disposal	1,698,160	2,539,817
Telecommunication, postage and courier	1,633,547	1,846,204
Others (below Rp 1 billion)	<u>6,034,948</u>	<u>3,421,655</u>
	<u>628,064,490</u>	<u>354,852,435</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

26. FINANCE COST

Finance cost consist of interest costs derived from:

	<u>2020</u>	<u>2019</u>
Interest expense:		
Bank loan	2,704,013	-
Loan from related party (Note 28)	2,990,001	-
Liability component of loan from related party (Note 28)	28,041,194	-
Bank charges	<u>64,987</u>	<u>102,882</u>
	<u><u>33,800,195</u></u>	<u><u>102,882</u></u>

27. FINANCE INCOME

Finance income consist of interest income derived from:

	<u>2020</u>	<u>2019</u>
Cash in banks	1,613,222	601,730
Time deposits	2,616,659	519,496
Loan receivables (Note 28)	<u>14,421,087</u>	<u>21,311,266</u>
	<u><u>18,650,968</u></u>	<u><u>22,432,492</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

28. SIGNIFICANT RELATED PARTIES INFORMATION**a. Nature of relationship and transaction**

The following table is a summary of related parties who have transactions with the Group, and includes the nature of the relationship and transaction:

<u>Related parties</u>	<u>Nature of relationship</u>	<u>Nature of transactions</u>
Universal Medicare PTE. Ltd ("UMPL")	Majority shareholder	Loan
Columbia Asia Sdn, Bhd. ("CASB")	Holding company of UMPL	Senior management service fee and reimbursement expense
Columbia Asia Healthcare Sdn, Bhd. ("CAH")	Holding Group of CASB	License and management fees and reimbursement expense
PT Columbia Asia	Entity under common control	Reimbursement expense and license fee
PT Belefina Sarana Medika ("BSM")	Subsidiary	Loan receivables, reimbursement expenses and interest income
International Columbia US LLC	Affiliate*	Loan and reimbursement expenses
Hospital & Clinic Holdings Ltd	Affiliate	Loan
Board of Directors and Commissioners	Key management personnel	Compensation

* Until 31 January 2020.

b. Transactions and balances

	<u>2020</u>	<u>2019</u>
Other receivables:		
International Columbia US LLC	2,603,754	-
PT Columbia Asia	2,694,811	-
	<u>5,298,565</u>	<u>-</u>
Loan receivables:		
PT Belefina Sarana Medika	<u>-</u>	<u>279,397,582</u>
Other payables:		
Columbia Asia Sdn. Bhd.	834,060	1,054,869
Columbia Asia Healthcare Sdn. Bhd.	4,707,171	-
PT Belefina Sarana Medika	<u>-</u>	<u>980,005</u>
	<u>5,541,231</u>	<u>2,034,874</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

28. SIGNIFICANT RELATED PARTIES INFORMATION (continued)**b. Transactions and balances**

	<u>2020</u>	<u>2019</u>
Loan from related party:		
Universal Medicare PTE. Ltd	<u>186,806,933</u>	<u>-</u>
License and management fees:		
PT Columbia Asia	2,859,120	-
Columbia Asia Healthcare Sdn. Bhd.	<u>9,760,256</u>	<u>10,017,634</u>
	<u>12,619,376</u>	<u>10,017,634</u>
Senior management service fee:		
Columbia Asia Sdn. Bhd.	<u>3,815,461</u>	<u>3,748,729</u>
Finance income:		
PT Belefina Sarana Medika*	<u>14,421,087</u>	<u>21,311,266</u>
Finance cost:		
Universal Medicare PTE. Ltd	<u>20,317,810</u>	<u>-</u>
Salary and allowance:		
Key management personnel	<u>19,622,447</u>	<u>6,784,781</u>

*These transaction was recorded before acquisition as at 30 June 2020

The Group entered into certain transactions with related parties as follows:

(i) Loan receivables – BSM

	<u>2020</u>	<u>2019</u>
Current portion	-	11,300,000
Non-current portion	<u>-</u>	<u>268,097,582</u>
Total	<u>-</u>	<u>279,397,582</u>

(ii) License and management fees

In 1 April 2012, the Company entered into a license and management agreement with CAH whereby CAH allowed the Group to use Columbia Asia trademark and agreed to provide certain assistance in relation to hospital operations and policies, strategic business operation, management services, risk assessment and corporate financial advisory services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

29. SIGNIFICANT RELATED PARTIES INFORMATION (continued)**b. Transactions and balances (continued)****(ii) License and management fees (continued)**

This agreement was valid for 5 years until 31 March 2017 and has been renewed every year up to 31 March 2021. The extension agreement is effective from 1 April 2019 – 31 March 2021. In consideration of the license and services provided, the Company shall pay a fees at 2% of net revenue which is payable on a monthly basis.

In June 2014, BSM entered into a license fee agreement with PT Columbia Asia, whereby PT Columbia Asia grants BSM the intellectual property rights that include trademarks and business information. As a compensation, BSM agreed to pay license fees amounting to USD 5,000 per month. This agreement is effective for ten years from June 2014 and will be automatically renewed for another ten years.

(iii) Senior management service fee

In 1 April 2018, the Company entered into a senior management service agreement with CASB. Whereby, the Company shall pay salary and bonus to senior manager which will be billed on a monthly basis.

This agreement was valid for 2 years effectively from 31 March 2018 until 31 March 2020 and no extension agreement after the end of term as at 31 March 2020.

The expense incurred for the year ended 31 March 2020 was amounted to MYR 1,006,490 (2019: MYR 1,064,954) or equivalent to Rp 3,815,461 (2019: Rp 3,748,729) is recorded as general and administrative expenses under senior management service fee.

30. SIGNIFICANT CONTRACT

On 13 February 2019, BSM entered a build and lease agreement with Acelogic (International) Pte Ltd, PT Mineral Abadi Nusantara ("MAN"). Under this agreement, MAN agreed to become the legal and beneficial owner of 6,251 sqm land in Bandar Selamat sub-district, Medan ("land") and construct a hospital facility in accordance with BSM's approved building plans and specification. Upon completion of the hospital facility, BSM shall take up a long-term lease of 20 years with an option for 15 years extension. BSM shall pay one-time development fee that equals to 3.5% of maximum development cost with the maximum agreed development cost of Rp 180,000,000. Initial yearly building rental shall be equal to 9.2% of the development cost of the building and initial land rental fee shall be equal to 5% of the agreed land value. The value of the land as agreed by both parties is Rp 4,325 per sqm. The project has been deferred for 6 months due to COVID-19 situation in Indonesia.

As of 31 March 2020, MAN has engaged the architect, consultant and solicitor for the project and BSM has recorded an advance payment amounted to Rp 5,534,569.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

31. COMMITMENTS

As at 31 March 2020, the Group had outstanding capital expenditures contracts for purchase of medical tools and equipments of Rp 10,633,092 (2019: Rp 3,207,623).

32. CONTINGENCIES

The Group and CAH, were sued by Thermal Industries & Supplies (Pte) Ltd ("TIS") and Thermal International (S) (Pte) Ltd ("TI") and Edward Hong Hin Kit and Albert Hong Hin Kay ("the Hong") for certain outstanding payables which have not been paid by the Group. TIS and TI were formerly related parties of the Group. The Hong was the previous ultimate shareholders of the Group.

The trial of the suits took place in the High Court of Singapore and was concluded with a decision that was issued on 10 April 2014. The Group was ordered to pay SGD 272,934 to TIS and SGD 403,163 plus USD 9,763 to TI in full amount. An interest at 5.33% per annum on these sums was also imposed from 11 November 2009 to the date of the decision. These liabilities have been recorded as part of other payables (Note 14).

On the other hand, CAH also filed legal suits against the Hong related to the breach of warranty under their Share Sale Agreement dated 24 December 2007. CAH is entitled to an indemnity from the Hong for the sum of SGD 262,934 to TIS and SGD 393,400 to TI. CAH succeeded in obtaining judgment for damages to be assessed for the Hong's failure to deliver a clean title to the land upon which the Medan hospital was built. CAH has appealed to the Court of Appeal for the assessment of damages proceedings which was dismissed in September 2017.

In March 2018, CAH through its lawyer has requested a written confirmation from TI and TIS to settle the litigation case between CAH and the Hong and the litigation case between the Group and TI and TIS, however there is no response from the TI and TIS up to the date of these financial statements. The settlement of the payables of the Group to TI and TIS will be finalised after the confirmation is obtained from TI and TIS, as well the Hong.

33. CORPORATE GUARANTEE

The Company has provided corporate guarantee for the outstanding facilities obtained and utilised by BSM for bank loan from BDI and SCBI. The corporate guarantee has not been recognised as the likelihood of this corporate guarantee crystallising is remote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

34. NON-CASH TRANSACTION

Significant investing activities not affecting cash flows were as follows:

	<u>2020</u>	<u>2019</u>
Acquisition of fixed assets through:		
- Other payables	1,352,826	-
Changes in liabilities arising from financing activities:		
	<u>Loan from related parties</u>	<u>Bank loans</u>
Balance as at 1 April 2019	-	-
Finance cost of the liability component of loan from related party	(28,041,194)	-
Finance cost of the operational loan	(2,990,001)	(2,704,013)
Gain on transfer of liability component of loan from related parties	1,428,872	-
Acquisition of subsidiary	(153,485,684)	(167,068,000)
Cash flows	<u>(3,718,926)</u>	<u>(59,500,000)</u>
Balance as at 31 March 2020	<u>(186,806,933)</u>	<u>(229,272,013)</u>

35. SUBSEQUENT EVENTCoronavirus Disease 2019 (COVID-19)

Since early 2020, the Coronavirus Disease 2019 (COVID-19) outbreak has plagued across many countries including Indonesia. This led to a global economic downturn which affected supply chains, exchange rate and other macroeconomics. The duration and extent of the impact from the COVID-19 pandemic depends on the future developments that cannot be accurately predicted at this time, thus the overall impact cannot be reliably estimated as of the authorisation date of these financial statements. Management will closely monitor the development of the COVID-19 outbreak and continue to evaluate its impact to the future sales, operation and overall financial performance to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

35. SUBSEQUENT EVENT (continued)

On 4 August 2020, BN, the Company and PT Perdana Asia Medika (PAM) entered into a novation agreement whereby PTBN agreed to novate its ownership in the shares and obligations under a call option agreement of the Company to PAM.

Based on Notarial Deed No. 6 of Jose Dima Satria, S.H., M.Kn., dated 4 August 2020, PAM acquired 453,288,237 shares of the Company owned by BN. The composition of the shareholders became as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Universal Medical PTE. Ltd.	3,442,421,082	88	344,242,108
PT Perdana Asia Medika	<u>453,288,237</u>	<u>12</u>	<u>45,328,824</u>
	<u>3,895,709,319</u>	<u>100</u>	<u>389,570,932</u>

Change in shareholder of BSM

Based on Notarial Deed No. 8 of Jose Dima Satria, S.H., M.Kn., dated 4 August 2020, PAM acquired 825 shares owned by BN in BSM. The composition of the shareholders of BSM became as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
PT Nusautama Medicalindo	1,675	67	1,675,000
PT Perdana Asia Medika	<u>825</u>	<u>33</u>	<u>825,000</u>
	<u>2,500</u>	<u>100</u>	<u>2,500,000</u>

36. SUPPLEMENTARY FINANCIAL INFORMATION

The supplementary information on Schedule 6/1 to 6/5 represents financial information of PT Nusautama Medicalindo (parent company only) for the years ended 31 March 2020 and 2019, which presents the Company's investments in subsidiaries under the cost method, as opposed to the consolidation method and investments in associates under the cost method, as opposed to the equity method.

SUPPLEMENTARY INFORMATION**PT NUSAUTAMA MEDICALINDO
PARENT COMPANY ONLY****Schedule 6/1****STATEMENT OF FINANCIAL POSITION****31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	172,859,860	33,551,278
Trade receivables	78,161,065	89,103,328
Other receivables	3,215,092	231,672
Loan receivables	100,621,735	11,300,000
Inventories	18,173,380	15,436,355
Advances and prepayments	<u>4,701,692</u>	<u>3,757,039</u>
	<u>377,732,824</u>	<u>153,379,672</u>
NON-CURRENT ASSETS		
Loan receivables	552,526,648	268,097,582
Other non-current assets	397,515	-
Investment in subsidiary	267,258,289	-
Fixed assets	142,124,849	149,067,289
Intangible assets	78,780	78,780
Deferred tax assets	3,409,570	1,751,469
Prepaid pension expense	<u>522,170</u>	<u>1,434,241</u>
	<u>966,317,821</u>	<u>420,429,361</u>
TOTAL ASSETS	<u>1,344,050,645</u>	<u>573,809,033</u>

SUPPLEMENTARY INFORMATION**PT NUSAUTAMA MEDICALINDO
PARENT COMPANY ONLY****Schedule 6/2****STATEMENT OF FINANCIAL POSITION****31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	2020	2019
LIABILITIES		
CURRENT LIABILITIES		
Trade payables	31,816,915	28,200,695
Other payables	14,351,796	10,321,506
Taxes payable		
- Corporate income taxes	20,557,266	9,903,951
- Other taxes	2,355,945	2,437,776
Accruals	37,536,862	54,747,200
Unearned rental income	525,511	738,618
Finance lease liabilities	34,516	196,929
Deposits from tenants and patients	305,568	1,112,152
TOTAL LIABILITIES	107,484,379	107,658,827
EQUITY		
Share capital – authorised, issued and fully paid 3,895,709,319 ordinary shares with par value of USD 0.01 (Rp 100 - full amount) per share (2019: authorised, issued and fully paid 2,977,915,700 ordinary shares with par value of USD 0.01 (Rp 100 - full amount) per share	389,570,932	297,791,570
Foreign exchange difference on paid-in capital	(8,321,924)	(8,321,924)
Additional paid-in capital	531,756,438	-
Retained earnings	323,560,820	176,680,560
TOTAL EQUITY	1,236,566,266	466,150,206
TOTAL LIABILITIES AND EQUITY	1,344,050,645	573,809,033

SUPPLEMENTARY INFORMATION**PT NUSAUTAMA MEDICALINDO
PARENT COMPANY ONLY****Schedule 6/3****STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>2020</u>	<u>2019</u>
Net revenue	505,586,228	451,824,909
Cost of revenues	<u>(266,140,944)</u>	<u>(250,933,808)</u>
Gross profit	239,445,284	200,891,101
General and administrative expenses	(108,454,590)	(102,830,460)
Selling and marketing expenses	(1,610,707)	(1,088,167)
Finance costs	(12,575)	(102,882)
Finance income	70,369,398	22,432,492
(Loss)/gain on foreign exchange, net	(391,851)	74,916
Others, net	<u>137,145</u>	<u>(6,137,171)</u>
Profit before income tax	199,482,104	113,239,829
Income tax expenses	<u>(53,601,755)</u>	<u>(33,933,853)</u>
Profit for the year	145,880,349	79,305,976
Other comprehensive income		
Item that will not be reclassified to profit or loss:		
Remeasurement of employee benefits obligations	1,281,937	10,649,243
Related income tax	<u>(282,026)</u>	<u>(2,662,311)</u>
Total other comprehensive income, net of tax	<u>999,911</u>	<u>7,986,932</u>
Total comprehensive income for the year	<u>146,880,260</u>	<u>87,292,908</u>

SUPPLEMENTARY INFORMATION**PT NUSAUTAMA MEDICALINDO
PARENT COMPANY ONLY****Schedule 6/4****STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	Share capital	Additional paid-in capital	Foreign exchange rate difference on paid-in capital	Accumulated losses	Total
Balance as at 1 April 2018	297,791,570	-	(8,321,924)	89,387,652	378,857,298
Profit for the year	-	-	-	79,305,976	79,305,976
Other comprehensive income for the year, net of tax	-	-	-	7,986,932	7,986,932
Balance as at 31 March 2019	297,791,570	-	(8,321,924)	176,680,560	466,150,206
Profit for the year	-	-	-	145,880,349	145,880,349
Issuance of shares	91,779,362	521,217,432	-	-	612,996,794
Share based awards	-	10,539,006	-	-	10,539,006
Other comprehensive income for the year, net of tax	-	-	-	999,911	999,911
Balance as at 31 March 2020	<u>389,570,932</u>	<u>531,756,438</u>	<u>(8,321,924)</u>	<u>323,560,820</u>	<u>1,236,566,266</u>

SUPPLEMENTARY INFORMATION**PT NUSAUTAMA MEDICALINDO
PARENT COMPANY ONLY****Schedule 6/5****STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

(Expressed in thousands of Rupiah, unless otherwise stated)

	2020	2019
Cash flows from operating activities		
Profit before income tax	199,482,104	113,239,829
Adjustments to reconcile profit before income tax to net cash flows from operating activities:		
Depreciation	20,065,699	19,293,587
Amortisation	-	5,561
Employee benefits expense	2,550,869	4,240,541
Loss on disposal of fixed assets	54,665	78,455
Finance costs	12,575	102,882
Finance income	(3,783,387)	(1,121,225)
Interest income from loan to subsidiary	(25,334,658)	(21,311,267)
Interest income from liability component of loan subsidiary	(41,251,353)	-
Write-off of inventory	238,845	400,490
Unrealised foreign exchange loss	703,683	166,954
Provision for impairment of trade receivables	3,077,014	3,048,787
Provision for shared based awards	10,539,006	-
Operating cash flows before changes in assets and liabilities	166,355,062	118,144,594
Changes in assets and liabilities:		
Trade receivables	7,865,249	(8,078,611)
Other receivables	(2,983,420)	6,720,418
Inventories	(2,975,870)	(7,249)
Advances and prepayments	(944,653)	655,494
Other non-current assets	(397,515)	-
Trade payables	3,616,220	1,793,956
Other payables	3,314,032	(3,265,686)
Taxes payable - others	(81,831)	161,713
Accruals	(15,674,631)	20,083,685
Unearned rental income	(213,107)	253,243
Deposits from tenants and patients	(806,584)	872,887
Receipt of finance income	3,783,387	1,121,226
Employer's contribution to pension fund	(200,000)	(2,200,000)
Payment of corporate income taxes	(44,888,567)	(28,999,897)
Payment for tax assessment	(1,535,707)	-
Payment of employee benefits obligations	(156,861)	(457,455)
Net cash generated from operating activities	114,075,204	106,798,318
Cash flows from investing activities		
Acquisition of fixed assets	(13,177,924)	(37,656,379)
Loan provided to subsidiary	(60,806,809)	(111,019,613)
Repayment of loan receivables	68,678,265	922,031
Interest received from loan receivables	25,334,658	31,297,791
Interest received from liability component of loan subsidiary	7,042,601	-
Proceeds for investment in shares	(1,675,000)	-
Net cash used in investing activities	25,395,791	(116,456,170)
Cash flows from financing activity		
Payment of finance lease liabilities	(162,413)	(189,273)
Net decrease in cash and cash equivalents	139,308,582	(9,847,125)
Cash and cash equivalents at the beginning of the year	33,551,278	43,398,403
Cash and cash equivalents at the end of the year	172,859,860	33,551,278