PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND
FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2018 AND FOR THE YEAR THEN ENDED
AND INDEPENDENT AUDITORS' REPORT

Table of Contents

	Page
Directors' Statement Letter	
Independent Auditors' Report	
Consolidated Statement of Financial Position……..	1 - 2
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	3
Consolidated Statement of Changes in Equity……	4
Consolidated Statement of Cash Flows	5
Notes to the Consolidated Financial Statements.....	6 - 77

PT BERLIAN LAJU TANKER Tbk
"Delivers with Safety, Competitiveness and Timeliness"

BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS OF
PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
AS OF DECEMBER 31, 2018 AND FOR THE YEAR THEN ENDED

We, the undersigned:

1.	Name	:	Siana Anggraeni Surya
	Office address	:	PT Berlian Laju Tanker Tbk Wisma BSG 10th Floor Jl. Abdul Muis No. 40 Jakarta 10160, Indonesia
	Residential address	:	Jl. Patra Kuningan VII/17 RT 005 Rw 004 Kuningan Timur, Setiabudi Jakarta Selatan, Indonesia
	Telephone	:	(62 21) 30060300
	Title	:	President Director
2.	Name	:	Benny Rachmat
	Office address	:	PT Berlian Laju Tanker Tbk Wisma BSG 10th Floor Jl. Abdul Muis No. 40 Jakarta 10160, Indonesia
	Residential address	:	Jl. Bendi XI No 12A RT 008 RW 010 Kebayoran Lama Utara, Kebayoran Lama Jakarta Selatan, Indonesia
	Telephone	:	(62 21) 30060300
	Title	:	Independent Director

declare that:

1. We are responsible for the preparation and presentation of PT Berlian Laju Tanker Tbk and its subsidiaries' consolidated financial statements;
2. PT Berlian Laju Tanker Tbk and its subsidiaries' consolidated financial statements have been prepared and presented in accordance with International Financial Reporting Standards;
3. a. All information contained in PT Berlian Laju Tanker Tbk and its subsidiaries' consolidated financial statements has been disclosed in a complete and truthful manner;
   b. PT Berlian Laju Tanker Tbk and its subsidiaries' consolidated financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts;
4. We are responsible for PT Berlian Laju Tanker Tbk and its subsidiaries' internal control system.

This statement is made in all truth.

For and on behalf of the Board of Directors



Siana Anggraeni Surya
President Director

Benny Rachmat
Independent Director

Jakarta, February 28, 2019

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Independent Auditors' Report

Report No. 00032/2.1051/AU.1/05/0519-1/1/II/2019

The Shareholders, Boards of Commissioners and Directors
PT BERLIAN LAJU TANKER TBK

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PT Berlian Laju Tanker Tbk (the "Company") and its subsidiaries (collectively referred as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2018 and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018, and its consolidated financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As described in Note 36 to the consolidated financial statements, the consolidated financial statements as of and for the year ended December 31, 2017 and 2016/January 1, 2017 had been restated in connection with the adoption of IFRS 9, "Financial Instruments". The Group has also adopted IFRS 15, "Revenue from Contract with Customers", using the modified retrospective method of adoption with the date of initial application of January 1, 2018. As such, consolidated financial statements as of January 1, 2018 had been restated. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter

Valuation of Financial Instruments
Note 8, *'Non-Current Financial Assets'*, and Note 31, *"Significant Agreement and Commitments"*

The valuation of Group's financial instruments was a key area of focus of our audit due to the degree of complexity involved in valuing some of the instruments and the significance of the judgments and estimates made by management.

The Group has investments in equity instruments and derivative financial asset carried at fair value. The Group has elected to measure its investments in shares in Swank Venture Limited and Nevaeh Limited at fair value through other comprehensive income.

We challenged and evaluated the appropriateness of the valuation methodologies, and the reasonableness of key estimates and assumptions used by management in determining the fair values of the Group's investments in particular those relating to revenue growth rate, price rates, discount rates and valuation multiples.

We also evaluated management's sensitivity analysis to assess the impact of reasonable changes in the key assumptions of these investments.

The Group's Amended Restructuring Plan (PKPU Amendment Plan)
Refer to Note 32, *'Overview of the Restructuring Plan'*

The Group has significant commitments to its plan creditors in relation to the PKPU Amendment Plan. These provisions in the PKPU Amendment Plan shall be implemented until the Group has settle its obligations to its plan creditors.

We discussed with management its significant commitments and the remaining provisions in PKPU Amendment Plan that are yet to be completed.

We validated the continuous implementation of the PKPU Amendment Plan in accordance with the provisions stated therein.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

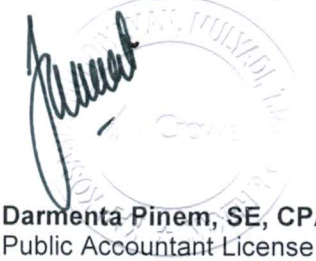
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Kosasih, Nurdiyaman, Mulyadi, Tjahjo & Rekan



Darmenta Pinem, SE, CPA
Public Accountant License No. AP. 0519

February 28, 2019

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(Expressed in United States dollar,
unless otherwise stated)

	Notes	December 31, 2018	December 31, 2017 (As restated - Note 36)	January 1, 2017/ December 31, 2016 (As restated - Note 36)
ASSETS				
CURRENT ASSETS				
Cash on hand and in banks	2e,4,33	3.174.557	4.578.586	5.787.637
Trade receivables - third parties - net	2e,2g,5,33	2.195.704	1.678.618	1.926.530
Contract assets	2e,2h,5,33	227.835	-	-
Other receivables - third parties - net	2e,6,33	573.455	389.433	426.475
Inventories	2i	652.646	848.143	562.139
Advances	2j,7	429.948	1.463.684	1.283.475
Prepaid expenses	2j	440.724	463.443	330.908
Prepaid taxes	2s,13	215.370	204.447	208.858
Sub-total		7.910.239	9.626.354	10.526.022
Non-current asset held-for-sale		-	-	7.483.000
Total Current Assets		7.910.239	9.626.354	18.009.022
NON-CURRENT ASSETS				
Non-current financial assets	2e,2q,8,33	10.865.753	20.307.519	27.300.676
Investments in associates and joint venture	2k,2n,9	26.304.534	21.245.260	15.281.175
Fixed assets - net	2l,2n,10	25.944.717	30.078.905	32.539.738
Deferred tax assets - net	2s,13	323.290	387.836	3.106
Total Non-current Assets		63.438.294	72.019.520	75.124.695
TOTAL ASSETS		**71.348.533**	**81.645.874**	**93.133.717**

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

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2018
(Expressed in United States dollar,
unless otherwise stated)

	Notes	December 31, 2018	December 31, 2017 (As restated - Note 36)	January 1, 2017/ December 31, 2016 (As restated - Note 36)
LIABILITIES AND NET EQUITY				
CURRENT LIABILITIES				
Trade payables	2e,11,33			
Related parties	2c,30	129.918	170.287	186.007
Third parties		4.839.422	5.793.379	5.897.930
Accrued expenses	2e,12,33	1.097.459	2.248.498	3.513.073
Unearned revenue	2h	-	223.727	-
Taxes payable	2s,13	100.045	175.132	88.721
Current maturities of long-term liabilities	2e,32,33			
Loans payable	14	4.553.273	3.028.180	3.966.687
Other payables	15	829.694	1.517.721	1.734.586
Other current liabilities	2e,33	1.283.907	1.286.490	1.321.319
Total Current Liabilities		12.833.718	14.443.414	16.708.323
NON-CURRENT LIABILITIES				
Long-term liabilities - net of current maturities	2e,32,33			
Loans payable	14	19.511.220	24.544.341	25.466.728
Other payables	15	8.649.151	8.913.824	9.889.536
Provision for employee benefits	2o,16	1.386.608	1.642.582	1.354.551
Total Non-current Liabilities		29.546.979	35.100.747	36.710.815
TOTAL LIABILITIES		**42.380.697**	**49.544.161**	**53.419.138**
NET EQUITY				
Share capital - par value				
Series A shares - Rp 62.50 per share				
Series B shares - Rp 50.00 per share				
Authorized -				
44,237,830,228 series A shares and 2,456,869,565 series B shares				
Issued and fully paid -				
23,483,317,538 series A shares	2t,17	163.636.458	163.636.458	163.636.458
Additional paid-in capital	2q,2t,18	1.115.631.835	1.115.631.835	1.115.631.835
Other capital reserves	2q,30,31,32	17.931.594	17.931.594	17.931.594
Treasury shares	2t,19	(6.515.636)	(6.515.636)	(6.515.636)
Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interest	20	7.787.469	7.787.469	7.787.469
Reserves	2d,2e,2l,21	(41.216.559)	(28.696.452)	(25.708.712)
Deficit		(1.228.287.325)	(1.237.673.555)	(1.233.048.429)
Net Equity		**28.967.836**	**32.101.713**	**39.714.579**
TOTAL LIABILITIES AND NET EQUITY		**71.348.533**	**81.645.874**	**93.133.717**

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

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For The Year Ended December 31, 2018
(Expressed in United States dollar,
unless otherwise stated)

	2018	Notes	2017
OPERATING REVENUES	24.934.905	2m,2r,22	25.247.152
VOYAGE EXPENSES	(5.766.094)	2c,2r,23,30	(4.876.482)
OPERATING REVENUES AFTER VOYAGE EXPENSES	**19.168.811**		**20.370.670**
Vessel depreciation and ship operating expenses:		2r	
Ship operating expenses	(8.533.439)	24	(8.832.776)
Vessel depreciation	(5.518.307)	2l,10	(6.329.230)
Charter expenses	(1.634.354)	2m	(2.261.739)
GROSS PROFIT	**3.482.711**		**2.946.925**
Administrative expenses	(4.156.624)	2r,25	(4.361.031)
Share in profits of associates and joint venture	7.020.540	2k,9	7.464.085
Unrealized loss on changes in fair value of derivative financial asset	-	2e,31	(12.965.258)
Reversal of impairment of vessels	-	2l,2n,10	680.393
Other income (losses) - net	971.868	2d,2r,27	(830.563)
PROFIT (LOSS) BEFORE INTEREST AND TAX	**7.318.495**		**(7.065.449)**
Finance cost	(1.709.211)	2e,2r,14,15,26	(1.908.157)
Interest income	16.275	2r,4	18.359
PROFIT (LOSS) BEFORE INCOME TAX	**5.625.559**		**(8.955.247)**
INCOME TAX BENEFIT (EXPENSE) - NET	**(199.752)**	2s,13	**181.232**
NET PROFIT (LOSS) FOR THE YEAR	**5.425.807**		**(8.774.015)**
OTHER COMPREHENSIVE INCOME (LOSS)			
Not to be reclassified to profit or loss in subsequent period:			
Fair value through other comprehensive income	(9.441.766)	2e,8,33	5.972.101
Net decrease in valuation reserves of vessels	-	2l,10,21c	(4.728.800)
Remeasurements on post-employment benefits	186.244	2o,16	(94.366)
Deferred income tax related to remeasurements	(42.896)	2s,13	12.214
Net	**(9.298.418)**		**1.161.149**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(3.872.611)**		**(7.612.866)**
Net profit (loss) for the period attributable to:			
Owners of the Company	5.425.807		(8.774.015)
Non-controlling interest	-		-
Total	**5.425.807**		**(8.774.015)**
Total comprehensive loss for the period attributable to:			
Owners of the Company	(3.872.611)		(7.612.866)
Non-controlling interest	-		-
Total	**(3.872.611)**		**(7.612.866)**
BASIC EARNINGS (LOSS) PER SHARE	**0,0002**	2u,28	**(0,0004)**
DILUTED EARNINGS (LOSS) PER SHARE	**0,0002**	2u,28	**(0,0003)**

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

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Year Ended December 31, 2018
(Expressed in United States dollar,
unless otherwise stated)

	Notes	Share capital (Note 17)	Additional paid-in capital (Note 18)	Unrealized gain on available- for-sale financial assets	Other capital reserves (Notes 30, 31, and 32)	Treasury shares (Note 19)	Difference arising from changes in equity of subsidiaries and effect of transactions with non-controlling interests (Note 20)	Reserves (Note 21)				Deficit	Net equity
								Revaluation reserves	General reserves	Fair value reserves	Financial statements translation		
Balance per January 1, 2017 (as previously reported)		**163.636.458**	**1.115.631.835**	**3.541.521**	**17.931.594**	**(6.515.636)**	**7.787.469**	**16.958.778**	**5.898.328**	**-**	**(120.331)**	**(1.284.394.229)**	**40.355.787**
Effect of restatement	36	-	-	(3.541.521)	-	-	-	-	-	(48.445.487)	-	51.345.800	(641.208)
Balance per January 1, 2017 (As Restated)		**163.636.458**	**1.115.631.835**	**-**	**17.931.594**	**(6.515.636)**	**7.787.469**	**16.958.778**	**5.898.328**	**(48.445.487)**	**(120.331)**	**(1.233.048.429)**	**39.714.579**
Net loss for the year (As restated)	36	**-**	-	-	-	-	-	-	-	-	-	(8.774.015)	(8.774.015)
Other comprehensive income (loss) - net (As restated)	36	-	-	-	-	-	-	(4.728.800)	-	5.972.101	-	(82.152)	1.161.149
Transfers to deficit	21c	-	-	-	-	-	-	(4.231.041)	-	-	-	4.231.041	-
Balance per December 31, 2017		**163.636.458**	**1.115.631.835**	**-**	**17.931.594**	**(6.515.636)**	**7.787.469**	**7.998.937**	**5.898.328**	**(42.473.386)**	**(120.331)**	**(1.237.673.555)**	**32.101.713**
Effect of restatement	9, 36											738.734	738.734
Balance per January 1, 2018 (as restated)		**163.636.458**	**1.115.631.835**	**-**	**17.931.594**	**(6.515.636)**	**7.787.469**	**7.998.937**	**5.898.328**	**(42.473.386)**	**(120.331)**	**(1.236.934.821)**	**32.840.447**
Net profit for the year		-	**-**	-	-	-	-	-	-	-	-	5.425.807	5.425.807
Other comprehensive income (loss) - net		-	-	-	-	-	-	-	-	(9.441.766)	-	143.348	(9.298.418)
Transfers to deficit	21c	-	-	-	-	-	-	(3.078.341)	-	-	-	3.078.341	-
Balance per December 31, 2018		**163.636.458**	**1.115.631.835**	**-**	**17.931.594**	**(6.515.636)**	**7.787.469**	**4.920.596**	**5.898.328**	**(51.915.152)**	**(120.331)**	**(1.228.287.325)**	**28.967.836**

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

PT BERLIAN LAJU TANKER TBK
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2018
(Expressed in United States dollar,
unless otherwise stated)

	2018	Notes	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	23.836.079		25.718.791
Cash paid to suppliers and employees	(20.836.526)		(20.920.952)
Cash generated from operations	2.999.553		4.797.839
Finance cost paid	(1.272.238)		(1.254.324)
Income tax paid	(178.102)	13	(191.284)
Interest received	16.275		18.359
Net cash provided by operating activities	**1.565.488**		**3.370.590**
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received	2.700.000	9	1.500.000
Acquisition of fixed assets	(1.465.158)	10	(8.127.832)
Net proceeds from sale of fixed assets and non-current asset held-for-sale	669		7.643.236
Net cash provided by investing activities	**1.235.511**		**1.015.404**
CASH FLOWS FROM FINANCING ACTIVITY			
Payments of loans and other payables	(4.205.028)	34	(5.595.045)
NET DECREASE IN CASH ON HAND AND IN BANKS	**(1.404.029)**		**(1.209.051)**
CASH ON HAND AND IN BANKS AT THE BEGINNING OF THE YEAR	**4.578.586**	4	**5.787.637**
CASH ON HAND AND IN BANKS AT THE END OF THE YEAR	**3.174.557**	4	**4.578.586**

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

1. GENERAL

a. General information

PT Berlian Laju Tanker Tbk (the "Company") was established on March 12, 1981 under the name PT Bhaita Laju Tanker. The Company's name was changed to PT Berlian Laju Tanker on September 5, 1988. The Company was incorporated and domiciled in Jakarta, and has two branches in Merak and Dumai. Its head office is located at Wisma BSG, 10th Floor, Jl. Abdul Muis No. 40, Jakarta.

The Company's scope of activities consists of local and overseas shipping, including but not limited to tanker, barges and tugboat operations. The Company started its commercial operations in 1981. Presently, the Company provides shipping services for liquid cargo transportation in Asia.

The Company's ultimate parent company is PT Bagusnusa Samudra Gemilang, also incorporated and domiciled in Indonesia.

b. Public offering of shares, bonds and notes payable

Shares

The Company's public offering of 2,100,000 shares through the Indonesia Stock Exchange (IDX), at a price of Rp 8,500 per share, was approved by the Ministry of Finance of the Republic of Indonesia on January 22, 1990. These shares were listed in the IDX on March 26, 1990.

On January 27, 1993, the Company obtained the notice of effectivity from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently as Financial Services Authority (OJK)) for the Company's Rights Issue I to the shareholders totaling 29,400,000 shares at a price of Rp 1,600 per share. These shares were listed in the IDX on May 24, 1993.

On December 26, 1997, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue II with pre-emptive right to shareholders totaling 305,760,000 shares with 61,152,000 warrants at an exercise price of Rp 1,200 per warrant. Each warrant was entitled to purchase one share from July 16, 1998 to January 20, 2003. Based on the addendum to the statements of warrant issuance which was notarized on October 17, 2002, the Company decided to extend the period to exercise the warrants for five years or until January 18, 2008. The shares were listed in the IDX on January 16, 1998.

On December 18, 2000, the Company obtained the notice of effectivity from the Chairman of Bapepam for the Company's Rights Issue III with pre-emptive right to shareholders totaling 61,152,000 shares. The Company issued 53,958,150 new common shares with nominal value of Rp 500 per share at an exercise price of Rp 1,100 per share.

The Company conducted a stock split of 4:1 in 2002 and 2:1 in 2004. Thus, the exercise price of the warrants became Rp 150 per share since 2005.

On September 22, 2006, the Company obtained eligibility to list all of its shares in the Singapore Exchange Securities Limited (SGX) Mainboard from SGX. In line with the Company's listing of shares, the Company also amended certain provisions of its Articles of Association, which amendments were approved by the shareholders in the Extraordinary Shareholders' Meeting held on September 11, 2006.

1. GENERAL (continued)

b. Public offering of shares, bonds and notes payable (continued)

Shares (continued)

On June 29, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's rights issue IV with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 1,392,310,059 new common shares at an exercise price of Rp 425 per share.

On June 30, 2010, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's Rights Issue V with pre-emptive rights to shareholders. In connection with such rights issue, the Company issued 5,569,240,235 new common shares at an exercise price of Rp 220 per share.

All 11,550,831,470 issued shares of the Company are listed in the IDX and SGX. On January 24, 2012, the Company requested temporary suspension of trading on both stock exchanges on grounds of future disclosure of material information that may affect investors' decision. On January 25, 2012, the IDX and SGX suspended the trading of the Company's securities until further notice by the Company. On January 26, 2012, the Company announced the debt standstill to temporarily cease debt payments of the Group's debts and thereafter worked on a Restructuring Plan, which was approved in March 2013 (Note 32).

In 2015, the Company and its subsidiaries (collectively as the "Group") renegotiated its debts with the Mandated Lead Arrangers ("MLA") Lenders and plan creditors which resulted to MLA Restructuring agreement on April 22, 2015, and amendment to Restructuring Plan ("PKPU [Penundaan Kewajiban Pembayaran Utang] Amendment Plan") that was approved by the requisite majority creditors of both secured and unsecured creditors of the Group on August 14, 2015 (Note 32).

On December 31, 2015, the Company effectively implemented the Proposed Debt-to-Equity Swap Share Issuance, which is one of the key components in PKPU Amendment Plan, with unsecured creditors. On January 8, 2016, new shares listing application (11,932,486,068 shares) of the Company has been approved by IDX.

As of the issuance date of these consolidated financial statements, the Company has not resumed trading on both stock exchanges.

Bonds and notes payable

On May 4, 2007 and May 17, 2007, BLT Finance B.V., a subsidiary, issued US$ 400.0 million, 7.5% Guaranteed Senior Notes, due in 2014 and US$ 125.0 million Zero Coupon Guaranteed Convertible Bonds due in 2012, which were both registered in SGX.

On June 25, 2007, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's public offering of 2007 Berlian Laju Tanker III Bonds amounting to Rp 700.0 billion with fixed interest rate and 2007 Sukuk Ijarah bonds amounting to Rp 200.0 billion.

1. GENERAL (continued)

b. Public offering of shares, bonds and notes payable (continued)

Bonds and notes payable (continued)

On May 15, 2009, the Company obtained the notice of effectivity from the Chairman of Bapepam-LK for the Company's public offering of 2009 Berlian Laju Tanker IV Bonds amounting to Rp 400.0 billion and 2009 Sukuk Ijarah II bonds amounting to Rp 100.0 billion.

On February 10, 2010 and March 29, 2010, BLT International Corporation, a subsidiary, issued 12.0% Guaranteed Convertible Bonds due in 2015 totaling US$ 100.0 million and US$ 25.0 million, respectively.

On January 11, 2016, IDX announced that both the Company's bonds with code BLTA03, BLTA04B and BLTA04C, and Sukuk with code SIKBLTA02A, SIKBLTA02B and SIKBLTA01B had been due on January 12, 2016 as implementation of the PKPU Amendment Plan and these bonds were delisted in IDX effective on January 12, 2016.

c. The Group's structure

The consolidated financial statements include the accounts of the Company and its subsidiaries, which are hereafter referred to as the "Group".

The Company has direct share ownership in Indigo Pacific Corporation, Diamond Pacific International Corporation and Asean Maritime Corporation, all of which are investment holding companies domiciled in foreign countries.

1. GENERAL (continued)

c. The Group's structure (continued)

The details of the Group's structure, showing direct and indirect share ownership, are as follows:

No.	Company		Principal Activity	Domicile	Start of Commercial Operations	Percentage of Ownership (%) 2018	Total Assets Before Elimination 2018	Percentage of Ownership (%) 2017	Total Assets Before Elimination 2017
1	Indigo Pacific Corporation		Investment holding company	Labuan, Malaysia	December 24, 1997	100	666,897,849	100	666,899,321
1.1	Indigo Pacific Corporation		Investment holding company	British Virgin Islands	February 9, 1993	100	111,162	100	143,444
1.1.1	BLT Finance B.V.		Investment holding company	The Netherlands	April 26, 2007	100	28,334	100	28,334
1.1.2	Tridonawati Maritime Pte. Ltd.		Owner and operator of vessel	Singapore	June 6, 2007	100	12,520,971	100	13,566,523
1.1.3	BLT Maritime Corporation		Investment holding company	British Virgin Islands	April 8, 2011	100	221,304	100	10,427,675
1.1.3.1	Swank Ventures Ltd.	a)	Investment holding company	Marshall Islands	December 31, 2010	60	-	60	-
2	Diamond Pacific International Corporation		Investment holding company	Labuan, Malaysia	November 24, 1997	100	274,229,026	100	274,232,976
2.1	Berlian Laju Tanker Corporation (formerly Diamond Pacific International Corporation)		Investment holding company	British Virgin Islands	February 9, 1993	100	41,667,959	100	42,073,488
2.2	BLT LNG Tangguh Corporation		Operator of vessel	Marshall Islands	July 8, 2005	100	46,105,973	100	38,522,431
3	Asean Maritime Corporation		Investment holding company	Labuan, Malaysia	September 16, 1997	100	203,603,281	100	199,581,090
3.1	Gold Bridge Shipping Corporation		Investment holding company	British Virgin Islands	November 20, 1996	100	5,151,567	100	1,594,795
3.1.1	Gold Bridge Shipping Ltd.		Shipping agency	Hong Kong	April 27, 1990	100	21,695,004	100	22,086,154
3.1.2	Hopeway Marine Inc.		Owner and operator of vessel	Panama	November 22, 1984	100	4,441,412	100	9,248,983
3.1.3	Quimera Maritime S.A.		Owner and operator of vessel	Panama	December 3, 1993	100	3,400,277	100	4,211,634
3.1.4	Freesia Navigation S.A.		Owner and operator of vessel	Panama	November 15, 2002	100	9,034,093	100	9,102,146
3.1.5	Iris Maritime International S.A		Owner and operator of vessel	Panama	June 5, 2008	100	16,994,815	100	21,339,384
3.1.6	Amber Pacific Corporation	a)	Investment company	British Virgin Islands	December 15, 2015	100	46,065	100	46,855
3.1.7	Fast Marine Trading Limited	a)	Investment company	Republic of Seychelles	September 20, 2017	100	353,567	100	-
3.2	BLT Chembulk Corporation	a)	Investment holding company	British Virgin Islands	October 5, 2007	100	-	100	-
3.2.1	Chembulk Tankers LLC	a)	Investment holding company	Marshall Islands	January 9, 2007	100	-	100	-
3.2.1.1	CBL Tankers Do Brasil Ltda.	c)	Ship management	Brazil	September 16, 2008	-	-	-	-
3.2.1.2	BLT Chembulk Group Europe A/S	b)	Ship management	Denmark	February 10, 2011	100	-	100	-
4	PT Brotojoyo Maritime ("BRM")		Owner and operator of vessel	Indonesia	January 20, 2003	100	17,286,946	100	16,054,310
5	PT Cendanawati Maritim		Owner and operator of vessel	Indonesia	April 6, 2016	100	907,192	100	907,307
6	Nevaeh Limited		Investment holding company	Hong Kong	January 18, 2007	51	-	51	-
7	PT Dewi Sri Maritim	a)	Owner and operator of vessel	Indonesia	October 18, 2017	100	432,719	100	-
8	Teekay BLT Corporation		Investment holding company	Marshall Islands	June 29, 2005	30	380,080,216	30	392,250,143
9	Thai Petra Transport Co Ltd.		Shipping Agency	Thailand	July 21, 2000	30	724,633	30	904,420
10	PT Berlian Limatama		Owner and operator of vessel	Indonesia	June 24, 1996	50	356,826	50	369,936

a) Such subsidiaries are considered dormant and have no operations in 2018.
b) Such subsidiary was closed in 2018.
c) Such subsidiary was closed in 2017.

1. GENERAL (continued)

d. Boards of Commissioners and Directors, and Audit Committee

The Company's management consisted of the following:

		2018	2017
Board of Commissioners			
President Commissioner	:	Hadi Surya	Hadi Surya
Commissioner	:	Safzen Noerdin	Safzen Noerdin
Independent Commissioner	:	Antonius Joenoes Supit	Antonius Joenoes Supit
Board of Directors			
President Director	:	Siana Anggraeni Surya	Siana Anggraeni Surya
Director	:	Anthony Budiawan	Anthony Budiawan
Independent Director	:	Benny Rachmat	Franciscus Xaverius Sulaeman
Audit Committee			
Chairman	:	Antonius Joenoes Supit	Antonius Joenoes Supit
Members	:	Timotius	Timotius
		Denny Susilo	Denny Susilo

The Group had a total number of 68 and 66 employees (unaudited) as of December 31, 2018 and 2017, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of consolidated financial statements

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Except for the consolidated statement of cash flows, the consolidated financial statements have been prepared using the accrual basis. The measurement basis used is historical cost, except for certain accounts which are measured on the basis as described in the related accounting policies.

The consolidated statement of cash flows which has been prepared using the direct method, classifies cash receipts and cash disbursements into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the United States dollar (US$), which is also the Company's functional currency.

The consolidated financial statements are issued in relation to the listing of the Company's equity securities in the SGX.

In connection with the Company's listing of shares in the IDX, the Company issues separate consolidated financial statements prepared under Indonesian Financial Accounting Standards (SAK). There are no significant differences between IFRS and SAK. The Group has early adopted certain standards in SAK to be aligned with IFRS.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of the reporting period. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. When necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used in line with those used by the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of OCI are attributed to the owners of the Company and to non-controlling interests even if it results in the non-controlling interests (NCI) account having a deficit balance. NCI represents the portion of the profit or loss and net assets of the subsidiary not attributable directly or indirectly to the Company, which are presented in the consolidated statement of profit or loss and other comprehensive income and under the equity section of the consolidated statement of financial position, respectively, separately from the corresponding portion attributable to the owner of the parent entity.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over the subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interests;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Basis of consolidation (continued)

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition. Transactions with NCI that do not result in loss of control are accounted for as equity transactions. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to NCI are also recorded in equity.

For each business combination, the Group elects whether to measure the non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. Subsequent to the date of business combination, the carrying amount of non-controlling interests is adjusted for the non-controlling interests' share of subsequent changes in equity of the subsidiary.

c. Transactions with related parties

(a) A person or a close member of that person's family is related to the Group if that person:

i. has control or joint control over the Group;
ii. has significant influence over the Group; or
iii. is a member of the key management personnel of the Group or the parent of the Group.

(b) An entity is related to the Group if any of the following conditions apply:

i. the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
iii. both entities are joint ventures of the same third party;
iv. one entity is a joint venture of third entity and the other entity is an associate or the third entity;
v. the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
vi. the entity is controlled or jointly controlled by a person identified in (a);
vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Company.

Related party transactions are entered into based on terms agreed by the related parties. Such terms may not be the same as those of the transactions between unrelated parties. All transactions and balances with related parties are disclosed in the notes to the consolidated financial statements.

d. Foreign currencies

The individual financial statements of each of the consolidated entities are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the financial performance and financial position of each entity are expressed in US$, which is the Group's functional currency and presentation currency in the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Foreign currencies (continued)

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currency) are recognized using their respective functional currency spot rates at the dates the transactions first qualifies for recognition.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using the functional currency spot rates at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated using the prevailing rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income or profit or loss are also recognized in other comprehensive income or profit or loss, respectively).

Exchange gains and losses arising from the translation of currencies other than the US$ are recognized in profit or loss in the period in which they arise. The conversion rates used by the Group at the end of reporting period using the middle rates published by Bank Indonesia are as follows:

	2018	2017
Rupiah (Rp'000)	0.0691	0.0738
Singapore dollar (SGD)	0.7322	0.7472
Euro (EUR)	1,1436	1.1934

For consolidation reporting purposes, assets and liabilities of entities whose functional currency is other than the US$ are translated into US$ using the foreign exchange rates at reporting date, while revenues and expenses are translated at the average foreign exchange rates for the year. The resulting translation adjustments are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

When an entity whose functional currency other than US$ is sold, exchange differences that were accumulated in equity are recognized as part of the gain or loss on sale. Goodwill and fair value adjustments arising from business acquisition of a subsidiary whose functional currency is other than the US$ are treated as assets and liabilities of such entity and are translated at the closing exchange rate.

e. Financial instruments

Classification

i. Financial assets
Financial assets within the scope of IFRS 9 are classified as (i) at amortized cost, (ii) fair value through other comprehensive income (FVOCI), or (iii) fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Classification (continued)

i. Financial assets (continued)

The Group's financial assets consist of trade receivables - third parties, contract assets, other receivables - third parties, contract assets, other receivables - third parties, security deposits recorded under non-current financial assets classified as financial assets measured at amortized cost, investments in equity instruments classified at FVOCI, and derivative financial asset classified at FVPL.

The Group's investments in equity instruments are its investments in shares in Swank Venture Limited and Nevaeh Limited.

ii. Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as (i) financial liabilities at fair value through profit or loss, (ii) financial liabilities measured at amortized cost, or (iii) as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities consist of trade payables, accrued expenses, loans payables, other payables, and other current liabilities classified as financial liabilities measured at amortized cost.

Recognition and measurement

i. Financial assets

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at at amortized cost (debt instruments)

  The Group measures financial assets at amortized cost if both of the following conditions are met:

  - The financial asset is held within a business model with the objective to hold the financial assets in order to collect contractual cash flow; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortized cost are subsequently measures using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the assets are derecognized or impaired, modified, as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Recognition and measurement (continued)

i. Financial assets (continued)

- Financial assets at FVOCI (equity instruments)

  Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI).

  The Group elected to classify irrevocably its non-listed equity investments under this category.

- Financial assets at FVPL

  Financial assets at FVPL includes financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

  Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative assets are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL. Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in profit or loss.

ii. Financial liabilities

Financial liabilities are recognized initially at fair value and, in the case of financial liabilities measured at amortized cost, inclusive of directly attributable transaction costs.

Financial liabilities measured at amortized cost are measured, subsequent to initial recognition, at amortized cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognized within “Finance costs” in profit or loss. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process.

Offsetting of financial instruments

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial instruments (continued)

Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized costs. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methology applied depends on whether there has been a significant increase in credit risk. An impairment loss allowance equivalent to the lifetime expected credit losses is provided if there is significant increase in credit risk since initial recognition. Otherwise, at an amount equal to twelve-month expected credit losses.

For trade receivables and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. The Group has established provision rates that are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

The amount of expected credit losses or reversal is recognized as impairment loss or gain in profit or loss and presented separately from others, if material.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Derecognition

i. Financial assets

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the financial asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a “pass-through” arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the assets recognized to the extent of the Group’s continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Financial assets (continued)

Derecognition (continued)

i. Financial assets (continued)

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received, including any new asset obtained less any new liability assumed; and any cumulative gain or loss that has been recognized directly in equity is recognized in the consolidated statement of profit or loss and other comprehensive income.

ii. Financial liabilities

The Group derecognizes financial liabilities when, the obligation specified in the contract is discharged, cancelled or has expired.

An exchange between the Group and its creditors with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

f. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for fair value measurement. External valuers are involved for valuation of significant assets, such as vessels. Involvement of external valuers is decided by management based on expert's market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

g. Trade receivables

A receivable is recognized when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (Note 2h).

h. Contract assets and liabilities

A contract asset is recognized when the Group recognizes revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are reclassified to receivables when the right to the consideration has become unconditional (Note 2g).

A contract liability is recognized when the customer pays consideration before the Group recognizes the related revenue. A contract liability would also be recognized if the Group has an unconditional right to receive consideration before the Group recognizes the related revenue, in such cases, a corresponding receivable would also be recognized.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis. When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

In the comparative period, contract assets were included in trade receivables while contract liabilities were included in unearned revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the "first-in, first-out" method. Net realizable value is the estimated selling price, less the estimated costs necessary to make the sale.

j. Advances and prepaid expenses

Advances pertain to payments made to ship managers and agents in relation to the operations of vessels. These advances are being liquidated on a monthly basis using the reports from the ship managers and agents.

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

k. Investments in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Investments in associates and joint venture (continued)

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognizes the loss as "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognized any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

l. Fixed assets

Vessels

Vessels are stated at their revalued amount, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such vessels is credited to other comprehensive income net of deferred tax, as applicable, and accumulated in revaluation surplus in the equity, except to the extent that it reverses an impairment loss for the same vessel which was previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent that impairment loss was recognized for the asset in prior years. Any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation surplus in equity. A decrease in carrying amount arising on the revaluation of such vessels is charged to profit or loss to the extent that it exceeds the balance, if any, held in the vessels' revaluation surplus relating to a previous revaluation of such vessels.

The Group elected the policy of eliminating the accumulated depreciation of revalued assets against the gross carrying amount of the assets and the net amount restated to the revalued amount of the assets.

Depreciation of revalued vessels is charged to profit or loss. As the vessels are used, a transfer is made from revaluation reserve to deficit equivalent to the difference between depreciation based on revalued carrying amount of the vessels and depreciation based on the vessels' historical cost. On subsequent sale or retirement of a revalued vessel, the remaining revaluation surplus attributable to the vessels sold or retired is transferred directly to deficit.

The vessels' residual values, estimated useful lives and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The gain or loss on sale or retirement of vessels is determined as the difference between the sales proceeds and carrying amount of the vessel and is recognized in profit or loss.

Included in the balance of vessels are the dry docking costs which are capitalized when incurred and are amortized on a straight-line basis over the period until the date of the next dry docking.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Fixed assets (continued)

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

The Group applies the cost model in subsequent recognition for other fixed assets. Other fixed assets are depreciated using straight-line method based on the following estimated useful lives:

	Years
Buildings and premises	20
Vehicles	5
Office furniture and fixtures	5
Office and dormitory equipment	5

Depreciation is recognized so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any change in estimate accounted for prospectively.

The costs of maintenance and repairs of other fixed assets are charged to operations as incurred. Other costs incurred subsequently to add, replace part of, or service an item of fixed assets, are recognized as asset if, and only if, it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably.

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

m. Leases

The Group as lessee

Leases in which a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group as lessor

When assets are leased out under an operating lease, the asset is included in the consolidated statement of financial position based on the nature of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Impairment of non-financial assets

The Group assesses at each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's or its CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income as "impairment losses".

In assessing the value in use (VIU), the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

In case of asset carried at a revalued amount, any remaining increase, net of deferred tax, as applicable, would be recognized in revaluation reserve in equity and is treated as a revaluation increase.

o. Employment benefits

Post-employment benefits

The Company and one of its subsidiaries provide defined post-employment benefits to their employees in accordance with Indonesian Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions as in accordance with IAS 19.

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding net interest), are recognized immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment; and
- The date that the Group recognizes restructuring-related costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Employment benefits (continued)

Post-employment benefits (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation under employee benefits in the consolidated statement of profit or loss and other comprehensive income:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other long-term employee benefits

The Group provides other long-term employee benefits in the form of long service leave and allowance on long service leave for employee attaining certain number of service years. The cost of providing this benefit is determined using the Projected-Unit-Credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries. Other long-term employee benefit expense includes current service cost, interest cost, past service costs and recognition of actuarial gains and losses. The actuarial gains and losses and past service costs are recognized immediately in the current year's profit or loss.

p. Provision

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed and recognized in profit or loss.

q. Equity instrument

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the fair value of the consideration received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. The difference between the selling price and the acquisition cost is recognized as "Difference in capital on treasury stock transaction" under additional paid-in capital in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Revenue and expense recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes ("VAT"). The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue and expense are recognized:

Revenues from freight operations

Revenues from freight operations are recognized as income with reference to the percentage of completion of the voyage as at reporting date.

Rental income

Time charter revenue is recognized on accrual basis over the terms of the time charter agreements. Voyage freight is recognized over the duration of each voyage.

Rendering of services

Revenues from agency services are recognized when the services are rendered to customers.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued based on outstanding principal using the effective interest rate method.

Expenses

Expenses are recognized in the period in which they are incurred. Interest expense is accrued based on outstanding principal plus unpaid interest, using the effective interest rate method.

s. Taxation

Income tax expense - net represents the sum or the net amount of the final income tax, current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Final income tax

Income tax subject to final tax is presented as part of the tax expense.

Tax expense on revenues from vessels subject to final tax is recognized proportionately based on the revenue recognized in the current year. The difference between the final income tax paid and the amount charged as final income tax in profit or loss is recognized as prepaid tax or tax payable. Prepaid final income tax is presented separately from final income tax payable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Taxation (continued)

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income due to the taxable and deductible temporary differences and permanent differences. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Underpayment or overpayment of corporate income tax is presented as part of current income tax expense in profit or loss.

Amendments to tax obligations are recorded when a tax assessment letter is received. If the Group files an appeal, the Group considers whether it is probable that a taxation authority will accept the appeal and reflect its effect on the Group's tax obligations.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is not recognized for the difference between the carrying amounts of assets and liabilities and their respective tax bases if the related revenue is subject to final tax.

t. Share capital

Share capital is stated at its par value. Incremental costs directly attributable to the issuance of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effect, is included in equity attributable to the Company's equity holders.

u. Earnings/loss per share

Basic earnings/loss per share is computed by dividing net profit/loss for the year attributable to owners of the Company by the weighted average number of shares outstanding during the year, after considering treasury stock.

Diluted earnings/loss per share amounts are calculated by dividing the net profit/loss attributable to ordinary equity holder of the parent by the weighted average number of ordinary shares outstanding during the year, after considering treasury stock plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v. Segment information

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

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

The segment information reported is the component of the Group whose operating results are regularly reviewed by the chief operating decision maker to make decisions about allocating resources to the segment and assessing its performance.

w. Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

x. Events after the financial reporting date

Events after the end of financial reporting date that provide additional information about the Group's position at reporting period (adjusting events) are reflected in the consolidated financial statements. Subsequent events after the end of financial reporting date that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

y. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Changes in accounting policies and disclosures

Standards issued and effective in the current year

The accounting policies adopted by the Group are consistent with those of the previous year, except for the adoption of new and amended accounting standards that became effective beginning January 1, 2018. The nature and the impact of each new standard and amendment are described as follows:

- Revenue from Contracts with Customers (IFRS 15) - IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods.

- Financial Instruments (IFRS 9) - In July 2014, the IASB issued the final version of IFRS 9, which reflects all phases of the financial instruments project and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Except for hedge accounting, retrospective application is required, but comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Annual improvements (2014 - 2016 Cycle)

- Foreign Currency Transactions and Advance Consideration (IFRIC 22) - IFRIC 22 provides guidance on how to determine the date of the transaction when an entity either pays or receives consideration in advance for foreign currency-denominated contracts.

The impact of the adoption of these standards to the consolidated financial statements is disclosed in Note 36.

Standards issued but not yet effective

i. IFRS 16, Leases

On January 13, 2016, the IASB issued its new standard, IFRS 16, Leases, which replaces IAS 17, the current lease standard, and the related interpretations. Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and the related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which underlying asset is of low value are exempted from these requirements. The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. IFRS 16 is effective for reporting periods beginning on or January 1, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z. Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective (continued)

i. IFRS 16, Leases (continued)

The Group plans to apply IFRS 16 initially on January 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information. The Group is still assessing the impact of this accounting standard on the Group's consolidated financial statements.

ii. Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRIC 23, Uncertainty over tax treatments
- Amendments to IFRS 9, Prepayment features with negative compensation
- Amendments to IAS 28, Long-term interests in associates and joint ventures
- Amendments to IAS 19, Plan Amendment, curtailment or settlement
- Annual improvements to IFRS standards 2015-2017 cycle
- Amendments to references to Conceptual Framework
- IFRS 17, Insurance contracts

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts herein and the related disclosures, at the end of the reporting period. The judgments, estimates and assumptions used by management are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Classification of financial instruments

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in IFRS 9. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

a. Judgments (continued)

Classification of leases

The Group has several leases whereas the Group acts as lessor and lessee in respect of vessels. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of its owned vessels and no significant risks and rewards of ownership are transferred from the leased assets. The Group accounts for these contracts as operating leases.

Impairment of non-financial assets

Internal and external sources of information are reviewed at each reporting date to identify indications of impairment losses and to identify if previously recognized impairment loss on non-financial asset no longer exist or may be decreased.

If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds its recoverable amount. The Group assesses the impairment of an asset whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Group considers upon assessment include, but not limited to the significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the asset's fair value less costs to sell or value in use. The recoverable amount is estimated for the individual asset or, if not possible, for the cash-generating unit to which the asset belongs.

Estimate of provision for income taxes

The Group has exposure to income taxes in relation to the significant judgment to determine the provision for income taxes. The Group submits tax returns on the basis of self-assessment and recognized liabilities for expected tax issues based on estimates of whether additional taxes will be due. The tax authorities may assess or amend taxes within the statute of limitation under the prevailing regulations. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the current tax and deferred tax in the period in which such determination is made. The carrying amounts of the Group's prepaid tax and current tax liabilities are disclosed in Note 13.

Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. The management believes that the Group will be able to fulfill its obligations under the PKPU Amendment Plan, execute its strategies and manage its business and financial risks successfully. Accordingly, the consolidated financial statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

a. Judgments (continued)

Determination of functional currency

In determining the respective functional currency of each entity in the Group, judgment is required to determine the currency that mainly influences sales prices for services and the country whose competitive forces and regulations mainly determine the sales prices of its services. The functional currency of each entity in the Group are determined based on management's assessment of the economic environment in which the entity operates and the entity's process of determining sales prices. When the indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that faithfully represents the economic effects of the underlying transactions, events and conditions.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Valuation of vessels

Vessels are stated at fair value based on the valuation reviewed by management and supported by independent professional valuers. In determining fair value, a method of valuation is used which involves certain estimates, including comparisons with recent sale transactions of similar vessels.

Management believes that the chosen valuation techniques and assumptions used are appropriate in the determination of the fair value of vessels (Note 10).

Valuation of financial instruments

The Group carries certain financial assets and liabilities at fair values, which requires the use of accounting estimates (Note 33). While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology. Any changes in fair values of these financial assets would affect directly the Group's profit or loss and/or other comprehensive income.

Allowance for impairment losses on financial assets as amortized cost

The general approach is used by the Group for its cash on hand and in banks and other financial assets that fall within the scope of application for impairment under IFRS 9. Due to the short-term nature and high credit rating of the banks involved, the Group determined that the expected credit losses are low and are therefore not recognized. In case of other financial assets, the Group recognizes a percentage of allowance for impairment losses for over 180 days past due accounts, adjusted by specific evaluation of debtor's profile.

For trade receivables and contract assets, the Group recognizes the expected credit loss based on historical observed default rates and losses per revenue sources and customer's profile. The Group identified that expected credit losses from its charter and freight transactions are low as receivables are fully collected from those transactions with average collection period of within 60 days, while a 20% loss is expected from all demurrage receivables at initial recognition, adjusted by specific evaluation of the debtor's profile. The carrying amounts of trade receivables and contract assets are disclosed in Note 5.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The vessels' recoverable amount is considered to be its revalued amount because management believes that the value in use of vessels approximates the appraised value of vessels (Note 10).

Estimate of realizability of deferred tax assets

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the projected taxable income in the following periods. This projection is based on the Group's past and estimated future results of operations.

The carrying amount of deferred tax assets is disclosed in Note 13.

Estimate of provision for employee benefits

The determination of the Group's employee benefits liability is dependent on its selection of certain assumptions used by the independent actuary in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognized immediately in other comprehensive income as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liability for employee benefits and net employee benefits expense.

The assumptions used in determination of employee benefits liability are disclosed in Note 16.

Estimate of useful lives and residual values of fixed assets

The useful lives of each of the item of the Group's fixed assets which are estimated based on the period over which the asset is expected to be used are based on internal technical evaluation. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and assumptions (continued)

Estimate of useful lives and residual values of fixed assets (continued)

The Group also reviews the residual values of vessels at the end of each reporting period. Significant judgment is required in determining the residual values of its vessels. The Group considers the net proceeds that would be obtained from the disposal of the assets in the resale or scrap markets, fluctuations in scrap steel prices and industry practice.

A change in the estimated useful life and residual value of any item of fixed assets would affect the recorded depreciation expense and the carrying value of such asset (Note 10).

4. CASH ON HAND AND IN BANKS

	2018	2017
Cash on hand	81,491	113,757
Cash in banks		
Rupiah		
Citibank N.A.	239,778	425,438
PT Bank Ina Perdana Tbk	234,091	330,175
PT Bank Negara Indonesia (Persero) Tbk	135,035	12,045
PT Bank Central Asia Tbk	7,372	20,612
PT Bank Mandiri (Persero) Tbk	723	798
PT Bank CIMB Niaga Tbk	691	-
US dollar		
OCBC Bank	1,654,252	1,488,658
Citibank N.A.	397,983	1,100,213
Bank of China (Hongkong) Limited	301,819	464,210
PT Bank Negara Indonesia (Persero) Tbk	82,233	592,388
PT Bank Central Asia Tbk	33,721	26,718
DBS Bank Indonesia	-	524
Others	2,460	-
Other currencies	2,908	3,050
Total	**3,174,557**	**4,578,586**

Interest income earned from cash in banks in 2018 and 2017 amounted to US$ 16.3 thousand and US$ 18.4 thousand, respectively

All cash in banks are placed in third-party banks.

5. TRADE RECEIVABLES AND CONTRACT ASSETS

a. Trade Receivables - third parties

	2018	2017
PT Pertamina (Persero)	1,330,720	850,439
PT USDA Seroja Jaya	509,145	-
Tricon Energy Inc	53,815	109,464
PT Chandra Asri Petrochemical Tbk	34,477	109,027
PETCO Trading Labuan Company Limited	-	117,161
Others (below US$ 100,000)	397,725	492,527
Sub-total	2,325,882	1,678,618
Allowance for impairment	(130,178)	-
Net	**2,195,704**	**1,678,618**

b. Contract Assets

Contract assets mainly include receivables from voyages not yet completed as of reporting date. As of December 31, 2018, the Group has contract assets amounting to US$ 227,835.

The details of trade receivables and contract assets by currency are as follows:

	2018	2017
US dollar	1,981,134	1,377,861
Rupiah	572,583	300,757
Sub-total	2,553,717	1,678,618
Allowance for impairment	(130,178)	-
Net	**2,423,539**	**1,678,618**

The aging of trade receivables and contract assets as of December 31, 2018 and 2017 were as follows:

	2018	2017
Not yet due	1,912,442	1,143,243
Overdue:		
1 - 60 days	274,105	398,479
61 - 120 days	154,077	32,208
121 - 180 days	94,769	42,652
> 180 days	118,324	62,036
Sub-total	2,553,717	1,678,618
Allowance for impairment	(130,178)	-
Net	**2,423,539**	**1,678,618**

5. TRADE RECEIVABLES AND CONTRACT ASSETS (continued)

The changes in allowance for impairment loss are as follows:

	2018	2017
Beginning balance	-	1,796,306
Receivables written-off	-	(1,796,306)
Impairment of trade receivables (Note 25)	130,178	-
Ending balance	**130,178**	**-**

Based on review of the status of trade receivables as of December 31, 2018, the Group's management believes that the above allowance for impairment of trade receivables is sufficient to cover the expected credit losses that may arise from uncollectible trade receivables in the future. As of December 31, 2017, the Group's management assessed that all receivables are collectible.

6. OTHER RECEIVABLES - THIRD PARTIES

	2018	2017 (As restated - Note 36)
Commission receivable	647,670	640,884
Bunker swap receivables	156,416	-
Others	504,966	471,883
Subtotal	1,309,052	1,112,767
Allowance for impairment	(735,597)	(723,334)
Total	**573,455**	**389,433**

The changes in allowance for impairment loss are as follows:

	2018	2017
Beginning balance	723,334	641,208
Impairment of other receivables (Note 25)	12,263	82,126
Ending balance	**735,597**	**723,334**

Management believes that the allowance for impairment loss account is adequate to cover expected credit losses from uncollectible accounts.

7. ADVANCES

Advances are given to agents in relation to port processing expenses.

8. NON-CURRENT FINANCIAL ASSETS

	2018	2017 (As restated - Note 36)
Financial assets fair value through other comprehensive income:		
Nevaeh Limited	10,640,532	9,875,927
Swank Ventures Limited	221,304	10,427,675
Financial assets at amortized cost:		
Security deposits	3,917	3,917
Total	**10,865,753**	**20,307,519**

The Group's investments in Swank Ventures Limited ("SVL") and Nevaeh Limited ("NL") are unquoted equity shares.

a. Swank Ventures Limited

SVL is incorporated in British Virgin Islands and has a warrants agreement with PT Umine Energy Indonesia ("Umine") to exercise 179,611 shares or equal to 15.23% of Umine shares. Umine is a group of coal companies in Indonesia. This warrants agreement may be exercised on or after the Initial Public Offering ("IPO") of the subsidiary of Umine and will expire on February 21, 2017.

On November 28, 2014, SVL entered into an amended and restated warrants agreement with Umine that revised the warrants to be exerciseable on or after the IPO of the subsidiary of Umine or February 21, 2019, whichever date is earlier.

In 2018, the Group determined the fair value of its investment in SVL using discounted cash flow valuation as well as its selling price in the subsequent period (Note 37). An unrealized loss on changes in fair value of US$ 10.2 million was charged to other comprehensive income in 2018. In 2017, the fair value of its investment in SVL was determined using the discounted cash flow valuation and the Group recognized an unrealized gain on changes in fair value amounting to US$ 2.7 million credited to other comprehensive income.

The management estimated that the discount rates using pre-tax rates reflect current market assessments of the time value of money and the risks specific to the cash-generating unit.

The key assumptions used for fair value calculation of SVL as of December 31, 2018 and 2017 are as follows:

	2018	2017
Coal price/mt	19.89 - 31.76	18.63 - 41.30
Post tax discount rate (for fair value calculation)	13.68% - 15.24%	12.84% - 14.54%

Had the coal price increased/decreased by 1%, with all other variables held constant, the fair value of investment in SVL would have increased/decreased by US$ 194.8 thousand/ US$ 192.7 thousand as of December 31, 2018.

Had the post-tax discount rate increased/ decreased by 1%, with all other variables held constant, the fair value of investment in SVL would have decreased/increased by US$ 200.6 thousand/US$ 226.3 thousand as of December 31, 2018.

Management determined that sensitivity analysis above is unrepresentative of the risk as the investment has been sold in the subsequent period (Note 37).

8. NON-CURRENT FINANCIAL ASSETS (continued)

b. Nevaeh Limited

In 2009, Asean Maritime Corporation (AMC), a subsidiary, acquired 100.0% share ownership in NL, an investment company. This acquisition gave the Company an indirect percentage ownership of 45.0% and 21.8% in Brilliant Hero Industrial Limited ("BHIL") and Jiangsu Xinrong Shipyard Company Limited ("JXSCL"), respectively. BHIL is an investment holding company while JXSCL is engaged in ship repair, conversion and construction of steel structure.

On November 1, 2010, AMC sold 49.0% of its ownership in NL to Mitsui & Co. Ltd., a third party. Although AMC has 51.0% ownership in NL after the sale of investment in shares in NL, management assessed that AMC does not have control over the financial decisions nor is it involved in the daily operations of NL, thus, NL is not consolidated in the financial statements. Further, NL is unable to exercise significant influence over BHIL. Therefore, NL classified its investments in BHIL as financial assets since 2010.

In 2018 and 2017, management calculated the fair value of its investment in NL using the discounted cash flows and recognized an unrealized gain on changes in fair value amounting to US$ 764.6 thousand and US$ 3.3 million, respectively, credited to other comprehensive income.

Pursuant to the PKPU Amendment Plan, the economic benefits from the investment in NL will be distributed, on a pro rata basis, to unsecured creditors.

The key assumptions used for fair value calculation of NL as of December 31, 2018 and 2017 are as follows:

	2018	2017
Growth rate	4.42%	4.42%
Post tax discount rate (for fair value calculation)	7.69%	7.54%

Had the growth rate increased/decreased by 1%, with all other variables held constant, the fair value of investment in NL would have increased/decreased by US$ 625.7 thousand/ US$ 608.5 thousand as of December 31, 2018.

Had the post-tax discount rate increased/ decreased by 1%, with all other variables held constant, the fair value of investment in NL would have decreased/increased by US$ 2.3 million/US$ 3.3 million as of December 31, 2018.

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

The following entities have been included in the consolidated financial statements using the equity method as of December 31, 2018 and 2017:

	Domicile and operation	Nature of business	Percentage of voting rights held (%)
Joint venture:			
Teekay BLT Corporation	Marshall Islands	Cargo shipping service (sea cargo service)	30
Associates:			
Thai Petra Transport Co. Ltd	Thailand	Port service (agency)	30
PT Berlian Limatama	Indonesia	Cargo shipping service (sea cargo service)	50

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

The changes in the investments in associates and joint venture under the equity method are as follows:

	2018	2017
Beginning balance	21,245,260	15,281,175
Change in accounting policy	738,734	-
Beginning balance (As restated - Note 36)	21,983,994	15,281,175
Share in profit for the year	7,020,540	7,464,085
Dividend	(2,700,000)	(1,500,000)
Ending balance	**26,304,534**	**21,245,260**

In 2018 and 2017, the Group received dividends from Teekay BLT Corporation amounting to US$ 2.7 million and US$ 1.5 million, respectively.

Summarized financial information of the Group's associates and joint venture is as follows:

	2018			
	Teekay BLT Corporation	Thai Petra Transport Co. Ltd.	PT Berlian Limatama	Total
Current assets	24,978,621	383,925	356,657	25,719,203
Non-current assets	355,101,595	340,708	169	355,442,472
Current liabilities	(44,052,994)	(190,921)	(83,622)	(44,327,537)
Non-current liabilities	(249,259,445)	(75,049)	-	(249,334,494)
Net assets	86,767,777	458,663	273,204	87,499,644
Group's share in net assets of associates/ joint venture	**26,030,333**	**137,599**	**136,602**	**26,304,534**
Revenues	46,257,251	151,934	210	46,409,395
Operating expenses	(14,456,646)	(29,558)	-	(14,486,204)
Gross profit	31,800,605	122,376	210	31,923,191
Administrative expenses	(1,819,189)	(123,108)	(150)	(1,942,447)
Finance cost	(6,271,645)	(777)	-	(6,272,422)
Other income - net	1,976,357	11,802	-	1,988,159
Profit before tax	25,686,128	10,293	60	25,696,481
Tax expense	(2,294,720)	-	-	(2,294,720)
Profit for the year	23,391,408	10,293	60	23,401,761
Group's share in profit of associates/ joint venture	**7,017,422**	**3,088**	**30**	**7,020,540**

9. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

	2017			
	Teekay BLT Corporation	Thai Petra Transport Co. Ltd.	PT Berlian Limatama	Total
Current assets	29,268,159	563,395	369,468	30,201,022
Non-current assets	362,981,984	341,025	468	363,323,477
Current liabilities	(49,274,233)	(379,660)	(96,792)	(49,750,685)
Non-current liabilities	(273,061,987)	(76,391)	-	(273,138,378)
Net assets	69,913,923	448,369	273,144	70,635,436
Group's share in net assets of associates/ joint venture	**20,974,177**	**134,511**	**136,572**	**21,245,260**
Revenues	50,206,875	154,924	3,986	50,365,785
Operating expenses	(18,672,013)	(28,954)	(2,774)	(18,703,741)
Gross profit	31,534,862	125,970	1,212	31,662,044
Administrative expenses	(663,694)	(129,469)	(3,641)	(796,804)
Finance cost	(3,908,634)	(2,452)	(44)	(3,911,130)
Other income (loss) - net	(2,006,210)	35,484	(11,327)	(1,982,053)
Profit (loss) before tax	24,956,324	29,533	(13,800)	24,972,057
Tax expense	(82,508)	-	(40)	(82,548)
Profit (loss) for the year	24,873,816	29,533	(13,840)	24,889,509
Group's share in profit (loss) of associates/ joint venture	**7,462,145**	**8,860**	**(6,920)**	**7,464,085**

Teekay BLT Corporation is a joint venture formed in 2005 through the shareholders agreement signed by the Group and Teekay Corporation, the investment in which is accounted for using the equity method. The joint venture was formed to charter the vessels in a consortium project among various international companies related to the extraction of gas reserves from Tangguh gas fields in Papua, Indonesia. The Company holds 30% equity interest in Teekay BLT Corporation through its indirect subsidiary, BLT LNG Tangguh Corporation (BLT LNG).

10. FIXED ASSETS

	2018					
	Beginning balance	Additions	Deductions	Transfers	Revaluations	Ending balance
Cost/valuation						
Owned vessels	29,577,629	1,463,032	-	(5,518,307)	-	25,522,354
Buildings and premises	773,560	-	-	-	-	773,560
Office and dormitory equipment	1,902,990	1,000	(877,156)	-	-	1,026,834
Office furniture and fixtures	355,261	-	(139,697)	-	-	215,564
Vehicles	196,374	1,126	(2,439)	-	-	195,061
Total	32,805,814	1,465,158	(1,019,292)	(5,518,307)	-	27,733,373
Accumulated depreciation and impairment loss						
Owned vessels	-	5,518,307	-	(5,518,307)	-	-
Buildings and premises	427,376	35,103	-	-	-	462,479
Office and dormitory equipment	1,754,853	40,983	(877,156)	-	-	918,680
Office furniture and fixtures	354,986	241	(139,697)	-	-	215,530
Vehicles	189,694	4,712	(2,439)	-	-	191,967
Total	2,726,909	5,599,346	(1,019,292)	(5,518,307)	-	1,788,656
Net book value	**30,078,905**					**25,944,717**

	2017					
	Beginning balance	Additions	Deductions	Transfers	Revaluations	Ending balance
Cost/valuation						
Owned vessels	31,964,584	8,109,099	(118,417)	(5,648,837)	(4,728,800)	29,577,629
Buildings and premises	773,560	-	-	-	-	773,560
Office and dormitory equipment	1,898,381	4,609	-	-	-	1,902,990
Office furniture and fixtures	355,261	-	-	-	-	355,261
Vehicles	201,013	14,124	(18,763)	-	-	196,374
Total	35,192,799	8,127,832	(137,180)	(5,648,837)	(4,728,800)	32,805,814
Accumulated depreciation and impairment loss						
Owned vessels	-	6,329,230	-	(5,648,837)	(680,393)	-
Buildings and premises	387,498	39,878	-	-	-	427,376
Office and dormitory equipment	1,713,934	40,919	-	-	-	1,754,853
Office furniture and fixtures	354,723	263	-	-	-	354,986
Vehicles	196,906	4,454	(11,666)	-	-	189,694
Total	2,653,061	6,414,744	(11,666)	(5,648,837)	(680,393)	2,726,909
Net book value	**32,539,738**					**30,078,905**

Depreciation expense was allocated as follows:

	2018	2017
Vessel depreciation	5,518,307	6,329,230
Administrative expenses (Note 25)	81,039	85,514
Total	**5,599,346**	**6,414,744**

10. FIXED ASSETS (continued)

All sales of fixed assets are made with third parties. Gain on sale of fixed assets is as follows:

	2018	2017
Cost	1,019,292	161,581
Accumulated depreciation	(1,019,292)	(36,067)
Net book value	-	125,514
Net consideration received	669	160,236
Gain on sale of fixed assets (Note 27)	**669**	**34,722**

As of December 31, 2017, the vessels are stated at their revalued amounts using market approach, based on their fair values in the valuation report dated March 12, 2018, prepared by an independent appraiser and reviewed by management. The appraisal report was issued by KJPP Yanuar Bey & Rekan using market data or sales comparison approach method in determining the revaluated amounts.

As of December 31, 2017, the vessels' revalued amounts had decreased by US$ 4.0 million of which US$ 4.7 million was debited to revaluation reserve (Note 21c) and US$ 680.4 thousand was recorded as reversal of impairment credited to profit or loss.

As of December 31, 2017, the Group specifically identified certain vessels with indications of impairment. The vessels' recoverable amount is considered to be its fair value amount because management believes that the value in use of vessels approximates the appraised value of vessels. In 2017, impairment value for these vessels charged to profit or loss amounted to US$ 279.6 thousand, netted against reversal of impairment. As of December 31, 2018, management has not identified any indication of impairment on its fixed assets.

Transfers pertaining to accumulated depreciation were eliminated against the gross carrying amount of the revalued vessels. Had the Group's vessels been measured on historical cost, the carrying value (cost less accumulated depreciation and impairment loss) would have been US$ 20.6 million and US$ 21.6 million as of December 31, 2018 and 2017, respectively.

Changes in the revaluation reserves are disclosed in Note 21c.

Additions to vessels in 2018 pertain to dry docking and in 2017, it pertains to purchase of one (1) vessel using the purchase option agreement under preferred equity interest and dry docking (Note 32).

The Group's fleet consists of eight (8) owned vessels as of December 31, 2018 and 2017.

In December 2018, the Group executed a change in flag of its vessel to Indonesian flag to be able to operate in Indonesia in relation with B20 program from the government.

The Group's vessels and equipment were insured for hull and machinery damages and war risk, Increased Value and Additional Owners Interest (I.V. & A.O.I) for US$ 106.0 million and US$ 107.0 million with LCH Lockton Pte. Ltd for the year ended December 31, 2018 and 2017, respectively.

10. FIXED ASSETS (continued)

The Group's vessels and equipment were also insured against losses of third parties arising from vessel operations such as environmental pollution caused by accidents (Protection and Indemnity or P&I).

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

MT Gas Indonesia, MT Gas Kalimantan and MT Indradi are collateralized to various liabilities of the Group (Note 14).

As of December 31, 2018 and 2017, the total acquisition costs of the Group's fully depreciated fixed assets that are still in use and those no longer used amounted to US$ 2.2 million, respectively (unaudited).

11. TRADE PAYABLES

	2018	2017
By creditors		
Related parties (Note 30)	129,918	170,287
Third parties	4,839,422	5,793,379
Total	**4,969,340**	**5,963,666**
By currency		
US dollar	2,498,957	3,376,047
Rupiah	1,247,357	1,375,107
Singapore dollar	1,029,850	916,712
Euro	134,135	134,357
Other currencies	59,041	161,443
Total	**4,969,340**	**5,963,666**

The trade payables represent liabilities to shipping companies as agents, to sub-agents and to suppliers for purchases of fuel and spare parts, and vessel equipment.

All trade payables are non-interest bearing and unsecured.

12. ACCRUED EXPENSES

	2018	2017
Vessels operating and dry docking	743,314	1,349,461
Others	354,145	899,037
Total	**1,097,459**	**2,248,498**

13. TAXATION

Details of prepaid taxes are as follows:

	2018	2017
Value-added tax	214,891	179,425
Income tax		
Article 22	-	25,000
Article 23	479	22
Total	**215,370**	**204,447**

Details of taxes payable are as follows:

	2018	2017
Income taxes:		
Article 4 (2)	4,778	4,715
Article 15	-	3,977
Article 21	72,385	75,747
Article 23	597	109
Article 26	3,291	3,279
Value-added tax	18,994	87,305
Total	**100,045**	**175,132**

Details of income tax benefit (expense) - net are as follows:

	2018	2017
Deferred tax:		
The Company	(21,650)	374,369
Subsidiaries	-	(1,853)
Final tax:		
The Company	(57,990)	(114,855)
Subsidiaries	(120,112)	(76,429)
Income tax benefit (expense) - net	**(199,752)**	**181,232**

Final income tax

The breakdown of final income tax on revenues related to charter and operation of vessels of the Group is as follows:

	2018	2017
The Company	57,990	114,855
Subsidiaries	120,112	76,429
Payments during the year	(178,102)	(191,284)
Final income tax payable	**-**	**-**

13. TAXATION (continued)

Current tax

The computation of tax on revenues not subject to final tax of the Company is as follows:

	2018	2017
Profit (loss) before income tax per consolidated statement of profit or loss and other comprehensive income		
Consolidated	5,625,559	(8,955,247)
Subsidiaries (after elimination)	4,056,102	(8,434,004)
Profit (loss) before income tax of the Company	**1,569,457**	**(521,243)**
Temporary differences:		
Employee benefits	(86,601)	142,459
Difference in fair value of financial liabilities	(50,412)	1,093,739
Movement in allowance for impairment of receivables	(2,536)	(324)
Permanent differences:		
Expenses (income) already subjected to final tax - net	1,571,991	(2,427,780)
Interest income subjected to final tax	(6,999)	(12,275)
Non-deductible expenses (income)	(3,687,075)	6,920
Others	(669,652)	535,231
Taxable loss of the Company	**(1,361,827)**	**(1,183,273)**
Uncompensated prior year tax losses:		
2017	(1,183,273)	-
2016	(906,877)	(906,877)
Accumulated tax losses	**(3,451,977)**	**(2,090,150)**

The Company reported its calculation of 2017 income tax on August 24, 2018. The reported taxable income of the Company in 2017 is the same taxable income reported in Annual Tax Return.

In March 2017, the Company participated in the Tax Amnesty Program in accordance with Law No. 11 Year 2016 ("Tax Amnesty Law"). The Company obtained Tax Amnesty Acknowledgment Letter dated April 20, 2017 for tax amnesty asset consisting of cash amounting to Rp 35 million (US$ 2.6 thousand). No restatement has been made since the effect to the consolidated financial statements is not material.

Deferred tax

The details of the Group's deferred tax assets (liabilities) are as follows:

	January 1, 2018	Charged to profit or loss	Charged to other comprehensive income	Adjustment to deferred tax	December 31, 2018
The Company					
Provision for employee benefits	**387,836**	**(21,650)**	**(42,896)**	**-**	**323,290**

	January 1, 2017	Credited to profit or loss	Credited to other comprehensive income	Adjustment to deferred tax	December 31, 2017
The Company and subsidiaries					
Provision for employee benefits	341,860	33,762	12,214	-	387,836
Difference in fair value of financial liabilities	(338,754)	273,435	-	65,319	-
Net	**3,106**	**307,197**	**12,214**	**65,319**	**387,836**

13. TAXATION (continued)

Deferred tax assets are recognized in the consolidated financial statements if sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Deferred taxes on the Company and BRM's vessels revaluation and the related difference on depreciation between commercial and fiscal are not recognized as the companies are subject to final tax.

The Group has unrecognized deferred tax asset on impairment of receivables, difference in fair value of financial liabilities and tax losses carry-forward with total amounting to US$ 1.0 thousand and US$ 715.4 thousand as of December 31, 2018 and 2017, respectively, since the Group does not have sufficient basis to determine the future tax benefit on such deferred tax assets.

The tax losses carry-forward can be utilized against the taxable income for a period of five years subsequent to the year the tax loss was incurred.

Reconciliation between the income tax benefit (expense) and the amount computed by applying the effective tax rate to the profit (loss) before income tax is as follows:

	2018	2017
Profit (loss) before income tax per consolidated statement of income and other comprehensive income		
Consolidated	5,625,559	(8,955,247)
Subsidiaries (after elimination)	4,056,102	(8,434,004)
Income (expenses) net of related expense (income), already subjected to final tax	(1,564,992)	2,440,055
Taxable income (loss)	**3,134,449**	**(2,961,298)**
Income tax benefit (expense) at prevailing tax rate (25%)	(783,612)	740,325
Effect of:		
Unrecognized deferred taxes	(327,220)	(295,737)
Non-deductible income and expenses	1,089,182	(135,538)
Final income tax	(178,102)	(191,284)
Deferred tax of subsidiaries	-	(1,853)
Adjustment to deferred tax	-	65,319
Income tax benefit (expense) - net	**(199,752)**	**181,232**

14. LOANS PAYABLE

	2018	2017
Bank loans:		
PT Bank Mandiri (Persero) Tbk	6,228,623	9,079,170
PT Bank Central Asia Tbk	2,580,043	3,187,112
Related party loan:		
PT Bagusnusa Samudra Gemilang (Note 30)	1,805,827	1,856,239
Other:		
Amicorp Trustees (Singapore) Limited	13,450,000	13,450,000
Total	**24,064,493**	**27,572,521**
Current	4,553,273	3,028,180
Non-current	19,511,220	24,544,341
Total	**24,064,493**	**27,572,521**
By currency:		
US dollar	16,030,043	16,637,112
Rupiah	8,034,450	10,935,409
Total	**24,064,493**	**27,572,521**

(i) Bank Loans

a) PT Bank Mandiri (Persero) Tbk ("Mandiri")

Pursuant to PKPU Amendment Plan and letter from Mandiri dated September 30, 2015, the terms of credit facility with Mandiri are amended as follows:

- Outstanding principal is Rp 111.9 billion and capitalized interest from July 1, 2012 up to March 31, 2015 is Rp 79.4 billion.
- Outstanding principal amortization over a repayment period, commencing from June 30, 2017 to September 30, 2021, with 18 equal quarterly installments with the first installment starting on June 30, 2017.
- Interest from April 1, 2015 shall be calculated based on an interest rate of 3-month JIBOR + 0.5% per annum based on 365 days per annum and shall be paid quarterly starting from June 30, 2015.
- The sale of MT Kunti ("Kunti Sale") will be completed by April 1, 2016 or on a later date to be agreed by Mandiri with value of Rp 7.0 billion. Net proceeds from the MT Kunti Sale will be used to repay the last principal installment due.
- Any quarterly payments to be made in each year will be made on the last business day of each quarter of such year. All payments to be made will be made free of any rights to off-set, deduct or withhold.
- No accelerated repayment from cash sweep.

In 2016, Kunti Sale had been completed. Net proceeds amounting to Rp 6.6 billion was used to repay principal installment.

The average annual effective interest rates of the loan are 7.6% and 7.2% in 2018 and 2017, respectively. Interest expense charged to profit or loss in 2018 and 2017 amounted to US$ 334.6 thousand and US$ 490.5 thousand, respectively (Note 26).

14. LOANS PAYABLE (continued)

(i) Bank Loans (continued)

b) PT Bank Central Asia Tbk ("BCA")

Pursuant to PKPU Amendment Plan in 2015, the terms of credit facility with BCA are amended as follows:

- If there is remaining cash in the Earnings Account (after the payment of interest, taxes and other costs that may be incurred outside the Principal Amount), the remaining cash can be used for amortization of the outstanding principal amount which will be paid on every interest payment date effective from the date of approval of the PKPU Amendment Plan until March 31, 2017.

- Repayment of the principal amount shall be paid by way of 32 equal quarterly installments with the first installment commencing on June 30, 2017.

- Where there is insufficient cash to pay a quarterly installment of principal amount, with the written consent of BCA, the Company may add the amount of that installment to the next quarterly installment.

- No accelerated repayment from cash sweep.

The annual effective interest rate of the loan is 6.0% in 2018 and 2017, respectively. Finance cost charged to profit or loss in 2018 and 2017 amounted to US$ 244.8 thousand and US$ 296.0 thousand, respectively (Note 26).

(ii) Related Party Loan

PT Bagusnusa Samudra Gemilang ("Bagusnusa")

Pursuant to PKPU Amendment Plan in 2015, no payments will be made to Bagusnusa until (i) all existing secured creditors are repaid in full, (ii) the aggregate value of the PKPU shareholders (including their successors and nominees) (based on a 3-month weighted average share price) exceeds the total outstanding claims of US$ 1.1 billion, and (iii) the Group's payable to BULL has been paid.

Based on management's discounted cash flow forecast analysis, using compound annual growth rate of 18.42% and discount rate of 10.58%, the Company will only be able to settle its loan from Bagusnusa by Year 2070. In 2015, the difference between the nominal amount of the loan and its fair value amounting to US$ 7,931,594 is presented under Other Capital Reserves (Note 30). There was no change in estimated term as of December 31, 2018.

In 2018 and 2017, the annual effective interest rate of the loan is 3.14%. Interest expense charged to profit or loss in 2018 and 2017 amounted to US$ 70.6 thousand and US$ 59.8 thousand, respectively (Note 26).

14. LOANS PAYABLE (continued)

(iii) Other

Amicorp Trustees (Singapore) Limited

On December 23, 2015, Mizuho entered into an assignment agreement with Amicorp Trustees (Singapore) Limited, as trustee of the Fortuna Growth Fund (Sub-Fund A), where Mizuho sold, transferred and assigned its rights, titles and interests, with respect to the Restructuring Agreement, to Amicorp.

Upon the receipt of full consideration agreed by Mizuho and Amicorp, Mizuho shall automatically withdraw its position as a creditor to the Company pursuant of the Restructuring Agreement and release and discharge the collateral security and deliver it to Amicorp. Amicorp will have the rights of Mizuho as secured creditor in the PKPU Amendment Plan.

On March 3, 2017, the Company and Amicorp agreed to amend the terms of the loan as follows:

- US$ 250.0 thousand upfront payment as the principal payment for the two years period from April 1, 2017 to March 31, 2019 to be paid before June 30, 2017.
- 1% additional margin interest during the period of delayed principal payment.
- The amount of quarterly principal payment, which starts from April 1, 2019 will be US$ 560.4 thousand and paid in arrears, instead of US$ 428.1 thousand.

As a result of amendment, the Company recorded loss amounting to US$ 948.4 thousand in 2017 (Note 27). The average annual effective interest rate of the loan is 4.9% and 3.4% in 2018 and 2017, respectively. Interest expense charged to profit or loss in 2018 and 2017 amounted to US$ 630.4 thousand and US$ 613.1 thousand, respectively (Note 26).

15. OTHER PAYABLES

	2018	2017
Third parties:		
Payables to BULL	8,497,273	8,182,250
Claims for vessel repairs and fuel purchases	981,572	2,249,295
Total	**9,478,845**	**10,431,545**
Current	829,694	1,517,721
Non-current	8,649,151	8,913,824
Total	**9,478,845**	**10,431,545**

a. Payable to BULL

On March 20, 2015, the Group and BULL signed Statement of Confirmation whereby both parties agreed that net balance of due to BULL amounted to US$ 61.6 million, after the subrogated claim from the transfers of investment in BULL.

15. OTHER PAYABLES (continued)

a. Payable to BULL (continued)

Pursuant to PKPU Amendment Plan in 2015, no payments will be made to BULL until (i) all existing secured creditors are repaid in full, and (ii) the aggregate value of the 48% equity interest held by the PKPU Shareholder (including succescors and nominees) (based on a 3-month weighted average share price) exceeds the total outstanding claims of US$ 1.1 billion.

Based on management's discounted cash flow forecast analysis, using compound annual growth rate of 18.42% and discount rate of 10.58%, the Group will only be able to settle its payable to BULL by year 2070. In 2015, the Group recomputed the present value of cash flows related to payable to BULL using appropriate interest rate applicable to the Group. There was no change in estimated term as of December 31, 2018.

The effective interest rate for this liability is 3.93% in 2018 and 2017, respectively. Interest expense charged to profit or loss in 2018 and 2017 amounted to US$ 315.0 thousand and US$ 302.9 thousand, respectively.

As part of BULL's successful restructuring process, PT Danatama Perkasa (DP), a third party investor, will transfer back 3,142 million shares (equivalent to 17.8% of the total issued shares) in BULL to the Company after the completion of the enforcement of BULL's security. Until December 31, 2018, no shares have been received yet by the Company.

b. Claims for vessel repairs and fuel purchases

In 2012, the Group defaulted on payments of various trade creditors related to repairs and maintenance of vessels and purchase of fuel. These payables were reclassified to other payables while the Group is under negotiation with the creditors.

In 2013, the Group entered into settlement agreements with its respective creditors regarding these liabilities. The terms of repayment schedules follow the provision in the Restructuring Plan on settlement of payments over a 5-year term.

Pursuant to PKPU Amendment Plan in 2015, the total restructured trade debt being 50% of the total trade debts shall be repaid in equal monthly installments over a period of five years (Note 32).

16. PROVISION FOR EMPLOYEE BENEFITS

The Group provides post-employment benefits for its qualified employees in accordance with Labor Law No. 13/2003 and other long-term employee benefits in the form of long service leave and allowance on long service leave for employee attaining certain number of service years.

The number of employees covered by employee benefits as of December 31, 2018 and 2017 are as follows:

	2018	2017
Post-employment benefits	63	54
Other long-term employee benefits	51	53

16. PROVISION FOR EMPLOYEE BENEFITS (continued)

The total employee benefits expense recognized in profit or loss is as follows:

	2018	2017
Post-employment benefits	189,151	197,972
Other long-term employee benefits	816	7,135
Total (Note 25)	**189,967**	**205,107**

The total liability recorded in the consolidated statement of financial position is as follows:

	2018	2017
Post-employment benefits	1,380,692	1,636,639
Other long-term employee benefits	5,916	5,943
Total	**1,386,608**	**1,642,582**

Post-employment benefits

Net post-employment benefits expense charged to profit or loss is as follows:

	2018	2017
Current service cost	94,058	90,035
Interest cost	95,093	107,937
Net	**189,151**	**197,972**

Movements in the present value of the unfunded obligations for post-employment benefits are as follows:

	2018	2017
Balance at beginning of year	1,636,639	1,367,438
Current service cost	94,058	90,035
Interest cost	95,093	107,937
Benefits paid	(675)	(8,398)
Past service cost	(154,987)	-
Remeasurements:		
Effects of experience adjustments	(51,497)	(60,097)
Effects of changes in financial assumptions	(134,747)	154,463
Effect of foreign exchange	(103,192)	(14,739)
Balance at end of year	**1,380,692**	**1,636,639**

16. PROVISION FOR EMPLOYEE BENEFITS (continued)

Other long-term employee benefits

Net other long-term employee benefits expense charged to profit or loss is as follows:

	2018	2017
Current service cost	2,186	2,481
Interest cost	341	392
Past service cost	-	5,481
Remeasurements:		
Effects of experience adjustments	(1,466)	(1,369)
Effects of changes in financial assumptions	(245)	150
Net	**816**	**7,135**

Movements in the present value of the unfunded obligations for other long-term employee benefits are as follows:

	2018	2017
Balance at beginning of year	5,943	-
Current service cost	2,186	2,481
Interest cost	341	392
Benefits paid	(455)	(1,121)
Past service cost	-	5,481
Remeasurements:		
Effects of experience adjustments	(1,466)	(1,369)
Effects of changes in financial assumptions	(245)	150
Effect of foreign exchange	(388)	(71)
Balance at end of year	**5,916**	**5,943**

The cost of providing employee benefits is calculated by an independent actuary, PT Padma Radya Aktuaria. The actuarial valuation was carried out using the following key assumptions:

		2018	2017
Discount rate per annum	:	8.25% - 8.5%	6.75% - 7.0%
Salary increment rate per annum	:	10%	10%
Mortality rate/table	:	100%/TMI3	100%/TMI3
Disability rate/table	:	5%/TMI3	5%/TMI3
Resignation rate	:	10% per annum until age 36 years then decreasing linearly to 0% at age 56 years	10% per annum until age 36 years then decreasing linearly to 0% at age 56 years
Proportion of normal retirement	:	100%	100%
Normal retirement age	:	55	55

16. PROVISION FOR EMPLOYEE BENEFITS (continued)

The quantitative sensitivity analysis for significant assumptions as of December 31, 2018 and 2017 is as follows:

	Discount rates		Future salary increases	
	Percentage	Effect on present value of benefits obligation	Percentage	Effect on present value of benefits obligation
2018				
Increase	1%	(79,148)	1%	91,566
Decrease	-1%	87,315	-1%	(84,464)
2017				
Increase	1%	(104,250)	1%	118,287
Decrease	-1%	115,546	-1%	(108,721)

The maturity of provision for employee benefits as of December 31, 2018 and 2017 is as follows:

	2018	2017
Within the next 12 months	124,035	13,900
Between 2 to 5 years	826,029	1,184,751
Beyond 5 years	3,435,575	3,762,406
Total	**4,385,639**	**4,961,057**

The average duration of the provision for employee benefits is 8.66 to 12.34 years and 8.53 to 12.35 years as of December 31, 2018 and 2017, respectively.

17. SHARE CAPITAL

The composition of shareholders is as follows:

	2018 and 2017		
Name of shareholders	Number of shares	Percentage of ownership (%)	Total paid-up capital
			US$
PT Tunggaladhi Baskara	4,383,489,018	18.67	41,583,208
Citibank Singapore S/A CBSG-CDP-Indonesia c/o. Citibank, N.A	1,738,525,893	7.40	16,628,002
Bina Surya Group Employees Cooperative	2,422,056	0.01	22,976
Siana Anggraeni Surya	62,400	-	592
Public (below 5.0 % each)	17,358,818,171	73.92	105,401,680
Total	**23,483,317,538**	**100.00**	**163,636,458**

Pursuant to PKPU Amendment Plan in 2015, the Company allocated 11,932,486,068 shares to unsecured creditors as consideration for debt-equity swap share issuance (Note 32). As of December 31, 2018 and 2017, share certificates not yet taken by unsecured creditors had total number of 2,791,290,441 and 2,797,502,223, respectively.

17. SHARE CAPITAL (continued)

Pursuant to PKPU Amendment Plan in 2015, PT Tunggaladhi Baskara committed to transfer the 2% of the total ordinary shares in the Company held by Surya Family to unsecured creditors to be distributed on a pro rata basis among based on the principal debt outstanding (Note 32). Until the issuance date of this report, no transfer of shares has been made yet.

18. ADDITIONAL PAID-IN CAPITAL

	2018 and 2017
Paid-in capital	1,188,316,040
Equity component of convertible bonds	177,244
Difference in capital on treasury stock transaction	(72,854,996)
Exercise of convertible bonds	(6,453)
Net	**1,115,631,835**

19. TREASURY SHARES

At the Extraordinary General Meeting of Shareholders, as stated in notarial deed No. 47 dated May 31, 2006 of Amrul Partomuan Pohan, S.H., LL.M., notary in Jakarta, the shareholders approved to repurchase a maximum of 10.0% of the issued and paid-up shares, at the purchase price of Rp 2,750 per share until May 31, 2007.

In August 2010, the Company entered into a standby facility agreement of US$ 7.5 million. This facility was drawn down in September 2011 in the amount of US$ 7.3 million which was secured by treasury shares with market value on that date amounting to Rp 97.2 billion or equivalent to US$ 11.3 million. The Company did not fulfill its obligations on the maturity date on November 14, 2011; hence an event of default was declared on November 21, 2011 of which the treasury shares were exercised to cover the repayment of the facility. The difference between the carrying amounts of loan and interest and the acquisition cost of such treasury share amounting to US$ 72.9 million was recorded as difference in capital on treasury share transaction, a component of Additional Paid-in Capital.

The total number of treasury shares amounted to 31,027,111 shares or 0.13% of total issued shares.

20. DIFFERENCE ARISING FROM CHANGES IN EQUITY OF SUBSIDIARIES AND EFFECT OF TRANSACTIONS WITH NON-CONTROLLING INTEREST

This account consists of the following transactions:

	2018 and 2017
Initial public offering of BULL shares	22,669,713
Excecution of pledged BULL shares	(8,289,433)
Exchangeable notes recognized as addition to investment in shares of BULL	(4,154,029)
Others	(2,438,782)
Net	**7,787,469**

BULL was a former subsidiary of the Company until it was deconsolidated in 2013. The above transactions were the result of changes in the equity ownership of the Company in BULL that were recognized directly in equity.

21. RESERVES

	2018	2017 (As restated - Note 36)
Fair value reserves	(51,915,152)	(42,473,386)
General reserves	5,898,328	5,898,328
Revaluation reserves	4,920,596	7,998,937
Financial statements translations	(120,331)	(120,331)
Total	**(41,216,559)**	**(28,696,452)**

a. Fair value reserves

These arose from changes in fair value of equity investments classified and measured at fair value through other comprehensive income (Note 8).

b. General reserves

Based on Limited Liability Company Law No. 40 Year 2007, the Company shall appropriate certain amounts of its profit in each year to general reserves if there are funds available, until the general reserves reach at least 20.0% of the issued and fully paid share capital.

The Company allocated general reserves totaling US$ 5.9 million. Such general reserves were approved in prior years' Annual Shareholders' Meetings.

c. Revaluation reserves

	2018	2017
Beginning balance	7,998,937	16,958,778
Revaluation decrease - net (Note 10)	-	(4,728,800)
Transfers to deficit	(3,078,341)	(4,231,041)
Ending balance	**4,920,596**	**7,998,937**

The revaluation reserves arose from the revaluation of vessels, net of deferred tax, as applicable. Where revalued vessels are sold, the portion of the revaluation reserves that relates to that vessel, is effectively realized, and is transferred directly to deficit.

d. Financial statements translation

This reserve consists of foreign exchange differences from translation to US$ of subsidiaries' and associates' financial statements with functional currency other than US$.

22. OPERATING REVENUES

	2018	2017
Operating revenues from:		
Chemical vessels	21,374,913	21,356,200
Gas vessels	3,487,523	3,821,429
Others	72,469	69,523
Total	**24,934,905**	**25,247,152**

In 2018, operating revenues exceeding 10% of total consolidated operating revenues are derived from PT Pertamina (Persero) and North Cape Ventures Ltd which are approximately US$ 8.2 million and US$ 2.7 million or 32% and 11% of total consolidated operating revenues, respectively.

In 2017, operating revenues exceeding 10% of total consolidated operating revenues are derived from PT Pertamina (Persero) and PT Shell Indonesia which are approximately US$ 10.2 million or 40.5% of total consolidated operating revenues.

23. VOYAGE EXPENSES

	2018	2017
Fuel	3,902,862	2,917,935
Port charges	1,863,232	1,958,547
Total	**5,766,094**	**4,876,482**

In 2018 and 2017, 7.06% and 8.64% of the above voyage expenses were from related parties, respectively (Note 30).

There were no expenses from a specific party that exceeded 10.0% of the total voyage expenses.

24. SHIP OPERATING EXPENSES

	2018	2017
Vessel crew salaries	4,946,277	4,818,070
Spare parts	910,147	943,676
Insurance	555,285	508,951
Lubricant	493,961	517,786
Repairs and maintenance	399,159	436,063
Processing of documents	376,295	437,455
Vessel crew meal allowances	340,402	370,787
Transportation	158,007	332,304
Supplies	65,910	105,428
Others	287,996	362,256
Total	**8,533,439**	**8,832,776**

25. ADMINISTRATIVE EXPENSES

	2018	2017
Salaries	1,765,613	1,925,640
Professional fees	761,303	739,659
Office expenses	689,690	678,692
Employee benefits expense (Note 16)	189,967	205,107
Impairment loss receivables (Notes 5 and 6)	142,441	82,126
Transportation	117,735	83,041
Depreciation (Note 10)	81,039	85,514
Bank charges	72,605	54,298
Telecommunication	54,281	123,747
Representation	49,444	47,994
Marketing	12,318	22,364
Training and education	8,492	10,134
Others	211,696	302,715
Total	**4,156,624**	**4,361,031**

26. FINANCE COST

	2018	2017
Loans (Note 14)	1,280,348	1,459,446
Others	428,863	448,711
Total	**1,709,211**	**1,908,157**

27. OTHER INCOME (LOSSES) - NET

	2018	2017
Foreign exchange gain - net	775,546	32,378
Gain on sale of fixed assets (Note 10)	669	34,722
Loss on amendment of terms of the loan (Note 14)	-	(948,448)
Others	195,653	50,785
Net	**971,868**	**(830,563)**

28. EARNINGS (LOSS) PER SHARE

The Group's computation of earnings (loss) per share in 2018 and 2017 is as follows:

	2018	2017
Net profit (loss) attributable to owners of the Company	5,425,807	(8,774,015)
Weighted average number of outstanding shares	23,452,290,427	23,452,290,427
Basic earnings (loss) per share	**0,0002**	**(0,0004)**
Net profit (loss) attributable to owners of the Company	5,425,807	(8,774,015)
Weighted average number of outstanding shares	23,452,290,427	23,452,290,427
Effect of dilution:		
Shares to be issued to PT Elang Megah Inti	2,456,869,565	2,456,869,565
Weighted average number of outstanding shares adjusted for the effect of dilution	25,909,159,992	25,909,159,992
Diluted earnings (loss) per share	**0,0002**	**(0,0003)**

Diluted earnings (loss) per share amounts are calculated by dividing the net profit (loss) for the year attributable to owners of the Company by the weighted average number of outstanding shares during the year plus the weighted average number of shares to be issued to PT Elang Megah Inti under the PKPU Amendment Plan (Note 31).

29. SEGMENT INFORMATION

Information reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance focuses on type of products or services delivered or provided. The Group's reportable segments are based on type of vessels chartered: chemical tankers and gas tankers; and other revenues.

The following summary describes the operations in each of the reportable segments:

a. Chemical tankers provide maritime transportation of liquid chemical (organic and non-organic) and vegetable oil and animal fats.

b. Gas tankers provide maritime transportation of liquefied gas, which includes, LPG, propylene, propane and LNG.

c. Others include manning and ship management.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2 to the consolidated financial statements. Segment profit represents the profit earned by each segment without allocation of administrative expenses, finance cost, investment income, and share in profit (loss) of associates, and other gains and losses. This is the measure reported to the directors as the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance.

29. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following tables show the analysis of the Group's reportable segments:

	2018	2017
Segment assets:		
Chemical	24,018,547	27,625,258
Gas	7,033,996	9,755,243
Others	2,806,330	2,328,675
Total	33,858,873	39,709,176
Unallocated assets	37,489,660	41,936,698
Consolidated	**71,348,533**	**81,645,874**
Segment liabilities:		
Chemical	1,444,380	2,187,973
Gas	3,662,370	5,188,678
Others	3,730,609	4,163,444
Total	8,837,359	11,540,095
Unallocated liabilities	33,543,338	38,004,066
Consolidated	**42,380,697**	**49,544,161**

Segment revenue and expenses

	2018			
	Chemical	Gas	Others	Total
Segment revenue				
External revenue	21,374,913	3,487,523	72,469	24,934,905
Segment expenses				
Voyage expenses	5,675,334	90,760	-	5,766,094
Ship operating expenses	6,811,825	1,721,614	-	8,533,439
Vessel depreciation	4,917,984	600,323	-	5,518,307
Charter expenses	1,634,354	-	-	1,634,354
Total segment expenses	19,039,497	2,412,697	-	21,452,194
Segment gross profit	**2,335,416**	**1,074,826**	**72,469**	**3,482,711**

29. SEGMENT INFORMATION (continued)

Segment revenues and expenses (continued)

	2017			
	Chemical	Gas	Others	Total
Segment revenue				
External revenue	21,356,200	3,821,429	69,523	25,247,152
Segment expenses				
Voyage expenses	4,767,208	109,274	-	4,876,482
Ship operating expenses	7,162,014	1,670,762	-	8,832,776
Vessel depreciation	5,825,772	493,291	10,167	6,329,230
Charter expenses	2,261,739	-	-	2,261,739
Total segment expenses	20,016,733	2,273,327	10,167	22,300,227
Segment gross profit	**1,339,467**	**1,548,102**	**59,356**	**2,946,925**

Other segment information

	Depreciation		Capital expenditures	
	2018	2017	2018	2017
Chemical	4,918,329	5,825,772	827,538	8,109,099
Gas	649,908	493,291	635,494	-
Others	31,109	95,681	2,126	18,733
Total	**5,599,346**	**6,414,744**	**1,465,158**	**8,127,832**

Geographic segment

The Group is domiciled in two main geographical areas, namely Malaysia and Indonesia.

	2018			
	Malaysia	Indonesia	Unallocated	Consolidated
Assets and liabilities				
Total segment assets	9,418,686	24,440,187	37,489,660	71,348,533
Total segment liabilities	(4,133,198)	(4,704,161)	(33,543,338)	(42,380,697)
Net assets	**5,285,488**	**19,736,026**	**3,946,322**	**28,967,836**
Revenues				
External revenues	9,736,752	15,198,153	-	24,934,905
Inter-segment revenues	537,516	16,680	(554,196)	-
Total revenues	**10,274,268**	**15,214,833**	**(554,196)**	**24,934,905**

29. SEGMENT INFORMATION (continued)

Geographic segment (continued)

	2017			
	Malaysia	Indonesia	Unallocated	Consolidated
Assets and liabilities				
Total segment assets	13,522,859	26,186,317	41,936,698	81,645,874
Total segment liabilities	(5,145,578)	(6,394,517)	(38,004,066)	(49,544,161)
Net assets	**8,377,281**	**19,791,800**	**3,932,632**	**32,101,713**
Revenues				
External revenues	9,909,514	15,337,638	-	25,247,152
Inter-segment revenues	789,991	84,037	(874,028)	-
Total revenues	**10,699,505**	**15,421,675**	**(874,028)**	**25,247,152**

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Nature of relationship

- PT Bagusnusa Samudra Gemilang is the ultimate parent and controlling party of the Group.
- Thai Petra Transport Co. Ltd. is an associated entity of the Group.
- PT Garuda Mahakam Pratama is a company under common control of PT Bagusnusa Samudra Gemilang.
- PT Arpeni Pratama Ocean Line Tbk is a company owned by close family members of the controlling party of PT Bagusnusa Samudra Gemilang.
- Pan Union Agencies Pte. Ltd. is a company that is directly or indirectly owned by Siana Anggraeni Surya, the Company's President Director.

Transactions with related parties

The Group, in their regular conduct of its business, has engaged in transactions with related parties. The outstanding balances with related parties are as follows:

	Amount		Percentage to total consolidated liabilities	
	2018	2017	2018	2017
Trade payables (Note 11):				
Thai Petra Transport Co. Ltd.	61,116	90,280	0.14%	0.18%
PT Arpeni Pratama Ocean Line Tbk	26,515	34,440	0.06%	0.07%
Pan Union Agencies Pte. Ltd.	32,430	24,909	0.08%	0.05%
PT Garuda Mahakam Pratama	9,857	20,658	0.02%	0.04%
Loans payable (Note 14):				
PT Bagusnusa Samudra Gemilang	1,805,827	1,856,239	4.26%	3.75%
Total	**1,935,745**	**2,026,526**	**4.56%**	**4.09%**

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties (continued)

	Amount		Percentage to total consolidated equity	
	2018	2017	2018	2017
Other capital reserves (Note 14):				
PT Bagusnusa Samudra Gemilang	**7.931.594**	**7.931.594**	**27,38%**	**24,71%**

Voyage expenses incurred with related parties are as follows:

	Amount		Percentage to total consolidated voyage expenses	
	2018	2017	2018	2017
Voyage expenses (Note 23):				
Thai Petra Transport Co. Ltd.	279,313	264,959	4.84%	5.43%
Pan Union Agencies Pte .Ltd.	91,038	156,164	1.58%	3.20%
PT Garuda Mahakam Pratama	20,810	369	0.36%	0.01%
PT Arpeni Ocean Line Tbk	16,404	-	0.28%	0.00%
Total	**407,565**	**421,492**	**7.06%**	**8.64%**

Total compensation of the Group's key management (commissioners and directors) during the year is as follows:

	2018	2017
Short-term benefits	591.673	602.643
Employee benefits	51.912	57.345
Total	**643.585**	**659.988**

31. SIGNIFICANT AGREEMENTS AND COMMITMENTS

a Derivative Financial Assets

Pursuant to the PKPU Amendment Plan, MLA Lenders shall issue Chembulk Investment Co LLC's warrants to purchase up to 10% of equity in Chembulk Investment Co LLC which are subject to dilution by a market-based management incentive program and any future issuance of equity securities. The warrants are exercisable in whole or in part over a period of five years.

In 2018 and 2017, the management determined the fair value of warrants using market approach technique of comparable company valuation multiples and the Black-Scholes model. Based on management's valuation, the fair value of warrants amounted to nil, respectively. Unrealized loss on change in fair value amounting to nill and US$ 13.0 million was charged to profit or loss in 2018 and 2017, respectively.

31. SIGNIFICANT AGREEMENTS AND COMMITMENTS (continued)

a. Derivative Financial Assets (continued)

The key assumptions used by management in determining the fair value of warrants are as follows:

		2018	2017
Multiplier EV/EBITDA *)	:	12.94	12.31
EBITDA	:	US$ 12.7 million	US$ 39.0 million
Lack of marketability discount	:	30%	30%
Exercise price of warrant	:	US$ 42.3 million	US$ 42.3 million
Period of warrant's expiration	:	1.92 years	2.92 years
Risk-free rate	:	2.48%	2.21%
Standard deviation of log returns	:	2.68%	3.09%

*) *Enterprise value/Earnings Before Interest Taxes, Depreciation and Amortization*

b. Mandatory Convertible Securities

Pursuant to PKPU Amendment Plan, the Surya family has committed to procure a cash injection of US$ 10.0 million into the Group for working capital or business development purposes in exchange for additional share capital in the Company.

On October 9, 2015, the Group entered into MCS subscription agreement with PT Elang Megah Inti, a third party investor, for the proposed allocation and issuance of MCS to PT Elang Megah Inti for a consideration of US$ 10.0 million.

Pursuant to the agreement, the aggregate number of conversion shares shall not exceed 2,456,869,565 shares (“Proposed Issuance of MCS”). The Proposed Issuance of MCS will result in PT Elang Megah Inti holding approximately up to 9.5% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS conversion.

Based on Extraordinary General Meeting of Shareholders notarized under deed No. 5 dated November 17, 2015 of Firdhonal, SH, notary in Jakarta, the Company obtained approval from the existing Shareholders for the Proposed Debt-Equity Swap Share Issuance and Proposed Issuance of MCS.

In 2016, the Group received the US$ 10.0 million and recorded it as part of equity. Conversion to the Company’s shares will be made on any date after the expiry of one month from the resumption of trading of shares in IDX, provided always that the shares have been traded for at least 25 trading days prior to conversion date and the New BLT Shares and New CB Shares arising from the Proposed debt-to-equity swap have been distributed to certain unsecured creditors of the Group.

32. OVERVIEW OF THE RESTRUCTURING PLAN

On March 22, 2013, the Company's Restructuring Plan was ratified by the decision of the Central Jakarta Commercial Court under Case No. 27/PKPU/2012/PN. NIAGA. JKT. PST, wherein all parties must abide by and perform the terms of the Restructuring Plan and the Company will be discharged from the PKPU proceedings.

Prior to the ratification of the Restructuring Plan, there were ongoing restructuring steps taken such as business preservation, cash management improvement, fleet restructuring including renegotiation of leases, tonnage allocation, sale of non-profitable vessels, appointment of third party ship management, sales of ethylene vessels, office rationalization, efficiency of general and administration expenses and the management of operational vessels.

Further, the Company agreed with the MLA for a working capital facility of a certain amount, part of which will provide the necessary funding other than funding derived from the sales proceeds of vessels to perform necessary restructuring initiatives. In connection with this working capital facility, the MLA Lenders have set out a number of requirements as a condition for providing the funds, the security, addressing the Group's structure, the secured shares, changes in management, sales of certain vessels, monitoring accountant and assessment of tax implications on restructuring.

PKPU creditors under the Restructuring Plan are classified as follows: (1) secured creditors, comprising of Mandiri, BCA, Deutsche Bank, AG., Bank Mizuho and MLOR; and (2) unsecured creditors, comprising of HSBC Bank USA (trustee of notes payable), HSBC Hong Kong Limited (trustee of convertible bonds), PT Bank CIMB Niaga Tbk (trustee of bonds payable), Gramercy Distressed Opportunity Fund (Gramercy) (bondholders), Cowell & Lee Asia Credit Opportunity Fund (bondholders) and others. The majority of secured and unsecured creditors have agreed to the Restructuring Plan.

Despite the Company's efforts and commitment to fully implement the aforementioned debt restructuring, a number of events had impeded a successful implementation of the Restructuring Plan, including:

- a delayed market recovery in the shipping market as compared to the forecast set out in the Restructuring Plan;
- a lack of bank financing and investor appetite available for the industry resulting in difficulty in obtaining the fundraising envisaged under the Restructuring Plan;
- inability to obtain approval from the relevant regulatory authorities in Indonesia for the issuance of new shares set out in the Restructuring Plan; and
- the risk of delisting by the IDX due to the Company's substantial capital deficiency.

On April 22, 2015, the Company negotiated a consensual arrangement with the MLA Lenders relating to the restructuring of the MLA Facility ("MLA Restructuring"), and signed a binding term sheet and a restructuring support agreement ("RSA") with, among others, the MLA Lenders. The MLA Restructuring avoided enforcement over all assets which were then secured in favor of the MLA Lenders and retained as much value as possible for the Company and its stakeholders.

The amendments to the Restructuring Plan ("PKPU Amendment Plan") was proposed and approved by the requisite majority creditors of both secured and unsecured creditors of the Group on August 14, 2015. The PKPU Amendment Plan received unanimous approval from the Company's secured creditors and the approval of a majority representing 64.67% in number and 86.64% in value of the Group's unsecured creditors.

32. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

The key principles underpinning the Proposed Restructuring under PKPU Amendment Plan are set out below:

(a) The agreed terms under MLA Restructring, which include:

- The Group shall transfer the MLA Assets to Chembulk Investment Co LLC ("NewCo") in return for forgiveness of all debts outstanding under that MLA Facility.

- The MLA Lenders shall release or procure the release of the following assets to the Group: (i) Teekay JV and Buana which are secured to MLA Lenders under the MLA Facility Documents; (ii) US$ 9.2 million cash collateral and Gas Bangka, which are posted as security under the ING Standby Letter of Credit Facility; and (iii) cash refund of up to 50% of the fees and expenses incurred by the MLA Lenders pursuant to this Proposed Restructuring.

- The MLA Lenders shall issue the following assets to the Group: (i) NewCo Warrants to purchase up to 10% equity in NewCo which are subject to dilution by a market-based management incentive program and any future issuance of equity securities by NewCo; and (ii) NewCo Preferred Equity Interest amounting to US$ 10.0 million to be received in equal annual installments over 5 years;

(b) The Surya family has committed to procure a cash injection of US$ 10.0 million into the Group for working capital or business development purposes in exchange for additional share capital in the Company (Note 31).

One of the key components of the PKPU Amendment Plan is the issuance by the Company of up to 11,673,084,196 new Shares ("New BLT Shares") (equivalent to approximately 45% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion) for distribution on a pro rata basis to the unsecured creditors and up to 259,401,872 new Shares ("New CB Shares") (equivalent to approximately 1% of the enlarged share capital of the Company after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion) for distribution to the Convertible Bondholders, subject to the necessary corporate and regulatory approvals being obtained ("Proposed Debt-Equity Swap Share Issuance"). The commercial terms of the Proposed Debt-Equity Swap Share Issuance were arrived at after arm's length negotiations with the unsecured creditors.

Under the IDX listing rules, within twelve (12) months of the date of the listing of the New BLT Shares and the New CB Shares on the IDX, the unsecured creditors shall be subject to a mandatory lock-up period, and accordingly, shall not sell or dispose of any of the New BLT Shares or New CB Shares.

Under the PKPU Amendment Plan, the Plan creditors agreed to the following:

(a) Secured creditors

- principal amortization from the date of approval of the PKPU Amendment Plan to March 31, 2017 is subject to the cash available in the respective secured creditor's earnings account;

- mandatory principal amortization shall commence from April 1, 2017 onwards with 32 equal quarterly installments in accordance with the Restructuring Plan;

- interest shall be accrued and paid on a quarterly basis commencing April 1, 2015 in accordance with Restructuring Plan; and

- no accelerated repayment from cash sweep.

32. OVERVIEW OF THE RESTRUCTURING PLAN (continued)

(b) Unsecured creditors

- Full debt for equity swap of principal debt. Unsecured Creditors will collectively receive and hold 47% new equity of the enlarged share capital of the Company (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), comprising:
  - The issuance of new shares consisting of up to 11,673,084,196 shares equivalent to 45% of the enlarged share capital of the Company (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion); and
  - A transfer of 2% of the total shares held by Surya family (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion).

  In each case, distributed on a pro rata basis among the Unsecured Creditors based on the principal debt outstanding.
- The HY Bondholders retains security over the Teekay JV and Buana for their interest payments for the period April 1, 2015 to March 31, 2017 of up to US$ 8.6 million ("HY Interest"). The Group will pay the HY Interest to the HY Bondholders as follows:
  - US$ 1.0 million within five (5) business days of the closing of the PKPU Amendment Plan; and
  - the balance of the HY Interest in accordance with the Restructuring Plan.

  Subject to an acceleration of payments in reduction of outstanding HY Interest by way of an allocation of 50% of all dividends received from Teekay JV.
- In addition to their allocation of the New BLT Shares and the transfer of 2% shared held by Surya Family, the Convertible Bondholders will, in aggregate, also be given an additional 1% equity stake in the enlarged share capital of BLT (after both the Proposed Debt-Equity Swap Share Issuance and the MCS Conversion), consisting of up to 259,401,872 shares, which is consistent with the Restructuring Plan as consideration for their forfeiture of their conversion rights.
- The Unsecured Creditors to hold, on a pro rata basis, an interest in Buana and Nevaeh through a structure that would deliver the economic benefit of those assets to the Unsecured Creditors.
- Waiver of all interest capitalized.

(c) Trade creditors

- Trade creditors will retain 50% of their outstanding debt balance and will be paid over 5 years.

(d) Intercompany Creditors

- No payments to any Intercompany Creditor, as defined in the Restructuring Plan, or satisfaction of any intercompany claim with any Intercompany Creditors until (i) all existing secured creditors are repaid in full, and (ii) the aggregate value of the 48% equity interest held by the Unsecured Creditors, including their successors and nominees, exceeds the total outstanding claims of US$ 1.1 billion.
- Intercompany Creditors will not exercise their voting rights in the PKPU Amendment Plan or otherwise assert or make any claims upon Company in any manner whatsoever; and
- Intercompany claims owned by BULL and/or BULL Subsidiaries, as defined in the Restructuring Plan, shall be paid in priority to other intercompany claims.

Based on Extraordinary General Meeting of Shareholders notarized under deed No. 5 dated November 17, 2015 of Firdhonal, SH, notary in Jakarta, the Company obtained approval from the existing Shareholders for the Proposed Debt-Equity Swap Share Issuance and Proposed Issuance of MCS.

33. FINANCIAL INSTRUMENTS

a. Capital risk management

Since the ratification of the Restructuring Plan and PKPU Amendment Plan, the primary objective of the Group's capital risk management has been to ensure the availability of the Group's working capital to run its operations and restructuring initiatives in accordance with the PKPU Amendment Plan.

The Group manages its capital structure and makes adjustments to it, to cope with the changes in economic conditions. Currently, the Group manages its capital by regularly monitoring its working capital requirements in accordance with the PKPU Amendment Plan. As of December 31, 2018 and 2017, the Group is in deficit position. As such, the Group will continuously apply cost-cutting and restructuring initiatives to review and monitor its capital expenditure.

b. Categories of financial instruments

Financial assets

	2018	2017 (As restated - Noted 36)
At amortized cost		
Cash on hand and in banks	3,174,557	4,578,586
Trade receivables - third parties	2,195,704	1,678,618
Contract assets	227,835	-
Other receivables - third parties	573,455	389,433
Non-current financial assets		
Securiy deposits	3,917	3,917
Fair value through other comprehensive income		
Non-current financial assets	10,861,836	20,303,602
Total	**17,037,304**	**26,954,156**

Financial liabilities

	2018	2017
Financial liabilities measured at amortized cost:		
Trade payables	4,969,340	5,963,666
Accrued expenses	1,097,459	2,248,498
Loans payable	24,064,493	27,572,521
Other payables	9,478,845	10,431,545
Other current liabillities	1,283,907	1,286,490
Total	**40,894,044**	**47,502,720**

33. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies

The Group's financial risk management policies seek to ensure that adequate financial resources are available for the operation and development of its business while managing its exposure to foreign exchange risk, interest rate risk, credit risk, fuel risk and liquidity risk. The Group's financial risk management policies are as follows:

Foreign exchange (non-functional currency) risk management

The entities in the Group conduct their respective businesses in currencies other than their functional currencies primarily in rupiah, Singapore dollar, and euro. Foreign currency exposures and fluctuations have material impact on the Group's consolidated financial statements.

The entities in the Group have the policy to manage foreign exchange risks so as to maximize profits. The Group has practices that include the periodic review of the impact of movements in foreign exchange rates on profitability so that the Group can take action to mitigate these risks.

		2018		2017	
		Foreign Currencies	Equivalent to US$	Foreign Currencies	Equivalent to US$
Assets					
Cash on hand and in banks	Rp'000	9,473,152	654,178	11,648,259	859,841
	SGD	19,619	14,365	3,651	2,728
	EUR	2,593	2,965	2,606	3,110
Trade receivables	Rp'000	8,291,574	572,583	4,074,318	300,757
Total			**1,244,091**		**1,166,436**
Liabillities					
Trade payables	Rp'000	18,062,977	1,247,357	18,628,569	1,375,107
	SGD	1,406,517	1,029,850	1,215,817	916,712
	EUR	117,297	134,135	112,587	134,357
Loans payable	Rp'000	116,346,870	8,034,450	148,141,954	10,935,409
Total			**10,445,792**		**13,361,585**

The summary of the carrying amounts of the Group's significant financial monetary assets and monetary liabilities denominated in currencies other than US$ as at reporting date is as follows:

	2018		2017	
	Assets	Liabilities	Assets	Liabilities
Rupiah	1,226,761	9,281,807	1,160,598	12,310,516
Singapore dollar	14,365	1,029,850	2,728	916,712
Euro	2,965	134,135	3,110	134,357
Total	**1,244,091**	**10,445,792**	**1,166,436**	**13,361,585**

33. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Foreign exchange (non-functional currency) risk management (continued)

The following table details the Group's sensitivity analysis to changes in US$ against the above currencies. The sensitivity rates below are used when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year end for the change in foreign currency exchange rates. A positive number below indicates an increase in profit and equity where the above currencies strengthen at certain percentage against the US$. For the same percentage of weakening of the above currencies against the US$, there would be an equal and opposite impact on profit and equity.

	2018		2017	
	Sensitivity Rate	Effect on profit or loss and equity	Sensitivity Rate	Effect on profit or loss and equity
Rupiah	3%	(241,651)	2%	(222,998)
Singapore dollar	3%	(30,465)	2%	(18,280)
Euro	3%	(3,935)	2%	(2,625)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the period-end exposure does not reflect the exposure during the year.

Interest rate risk management

The Group is also exposed to interest rate risk as it also borrows funds in rupiah and US$ at floating interest rates.

The Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

The sensitivity analysis below has been determined based on the exposure to interest rate changes as at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year.

As of December 31, 2018 and 2017, the Group's significant exposure to the risk of changes in market interest rates relates primarily to secured creditors. The following table summarizes the impact on income before income tax of reasonable movement in interest rates:

	2018		2017	
	Basis point	Effect on profit before income tax	Basis point	Effect on profit before income tax
Increase	100	(202.930)	100	(229.110)
Decrease	(100)	202.930	(100)	229.110

33. FINANCIAL INSTRUMENTS (continued)

d. Financial risk management policies (continued)

Interest rate risk management (continued)

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instrument classified as fixed rate is fixed until the maturity of the instrument and is therefore not subject to interest rate risk.

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rate while enabling benefits to be enjoyed if interest rates fall.

Credit risk management

The Group's exposure to credit risk is primarily attributable to cash in banks, trade receivables, contract assets, other receivables, and non-current financial assets.

In determining the credit terms for customers, the management considers the following factors: (i) the financial strength of the customer, (ii) the customer's historical payment record, (iii) the length of the relationship with the customer, and (iv) the distance or duration of a specific voyage. Based on these factors, the Group's credit terms may vary. The credit terms may also be modified based on negotiations with each customer. It is the Group's policy to monitor the financial standing of these receivables on an ongoing basis to ensure that the Group is exposed to a minimal credit risk. Cash in banks are placed only in credit worthy financial institutions.

The carrying amounts of the above-mentioned financial assets recorded in the consolidated financial statements represent the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Credit quality of financial assets

The credit quality of financial assets is managed by the Group using high quality and standard quality as internal credit ratings.

High Quality. Pertains to counterparty who is not expected by the Group to default in settling its obligations, thus credit risk exposure is minimal.

Standard Quality. Other financial assets not belonging to high quality financial assets are included in this category.

33. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Credit quality of financial assets (continued)

The credit quality of the Group's financial assets are as follows:

	2018			
	Not yet due			
	High Quality	Standard Quality	Past due	Total
Cash in banks	3,093,066	-	-	3,093,066
Trade receivables - third parties	1,371,373	313,234	641,275	2,325,882
Contract assets	227,835	-	-	227,835
Other receivables - third parties	463,532	109,923	735,597	1,309,052
Noncurrent financial assets:				
Fair value through other comprehensive income	-	10,865,753	-	10,865,753
Security deposits	-	3,917	-	3,917
Total	**5,155,806**	**11,292,827**	**1,376,872**	**17,825,505**
Expected credit loss	**-**	**62,573**	**803,202**	**865,775**

	2017			
	Not yet due			
	High Quality	Standard Quality	Past due	Total
Cash in banks	4,464,829	-	-	4,464,829
Trade receivables - third parties	1,143,243	-	535,375	1,678,618
Other receivables - third parties	319,188	70,245	723,334	1,112,767
Non-current financial assets:				
Fair value through other comprehensive income	-	20,303,602	-	20,303,602
Security deposits	-	3,917	-	3,917
Total	**5,927,260**	**20,377,764**	**1,258,709**	**27,563,733**
Expected credit loss	-	-	**723,334**	**723,334**

Fuel risk management

The Group's earnings are affected by changes in the price of bunker fuel. The strategy for managing the risk on fuel price aims to provide its protection against sudden and significant increase in bunker fuel prices. In meeting these objectives, the fuel management program allows for the prudent use of approved instruments such as bunker swaps with approved counterparties and within approved credit limits.

The Group consistently monitors bunker consumption with ship managers and implement bunker savings controls such as bunker management software to track bunker consumption.

The Group manages this risk by monitoring the bunker prices and entering into forward contracts to hedge against fluctuations in bunker price, if considered appropriate.

33. FINANCIAL INSTRUMENTS (continued)

c. Financial risk management policies (continued)

Liquidity risk management

The Group's liquidity requirements mainly come from repayments of principal and interest on its loans and long-term other payables. The liquidity problems faced by the Group arose from its failure to fulfill contractual obligations to make timely repayments of such debts.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities on the earliest date of which the Group can be required to pay. The table includes both interest and principal cash flows.

	2018				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
Trade payables	4,969,340	-	-	-	4,969,340
Accrued expenses	1,097,459	-	-	-	1,097,459
Loans payable	942,499	4,455,775	16,385,357	12,078,575	33,862,206
Other payables	400,000	450,000	153,000	63,111,688	64,114,688
Other current liabilities	1,283,907	-	-	-	1,283,907
Total	**8,693,205**	**4,905,775**	**16,538,357**	**75,190,263**	**105,327,600**

	2017				
	Less than three months	Three months to one year	More than one year to five years	Greater than five years	Total
Trade payables	5,963,666	-	-	-	5,963,666
Accrued expenses	2,248,498	-	-	-	2,248,498
Loans payable	1,050,557	3,115,512	20,048,258	15,319,280	39,533,607
Other payables	546,146	1,022,933	753,000	62,838,226	65,160,305
Other current liabilities	1,286,490	-	-	-	1,286,490
Total	**11,095,357**	**4,138,445**	**20,801,258**	**78,157,506**	**114,192,566**

The Group manages liquidity risk by maintaining reserves, banking facilities, and equity financing; by continuously monitoring forecast and actual cash flows; and by matching the maturity profiles of its financial assets and liabilities.

On January 26, 2012, the Company decided to temporarily cease repayment of all the Company's bank loans, bonds payable, payment on ship leases and on similar obligations of its subsidiaries, except for BULL, to enable the Group to review its financial position and arrangements.

In March 2013, the Group's Restructuring Plan was ratified by the Court. The Restructuring Plan sets out the restructuring term sheet and repayment plans to respective creditors to finance and repay the debts.

In August 2015, the Group's restructuring plan was further amended through the required voting standard set in the restructuring plan. The repayment schedule of secured creditors and trade creditors of the Group was restructured over a 10-year period and a 5-year period, respectively.

33. FINANCIAL INSTRUMENTS (continued)

d. Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities approximate their fair values.

	2018	2017 (As restated - Note 36)
Financial assets		
Cash on hand and in banks	3,174,557	4,578,586
Trade receivables - third parties	2,195,704	1,678,618
Contract assets	227,835	-
Other receivables - third parties	573,455	389,433
Non-current financial assets	10,865,753	20,307,519
Total	**17,037,304**	**26,954,156**
Financial liabilities		
Trade payables	4,969,340	5,963,666
Accrued expenses	1,097,459	2,248,498
Loans payable	24,064,493	27,572,521
Other payables	9,478,845	10,431,545
Other current liabilities	1,283,907	1,286,490
Total	**40,894,044**	**47,502,720**

As of December 31, 2018 and 2017, the following table presents the Group's financial assets that are measured at fair value.

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
December 31, 2018				
Non-current financial assets				
Financial assets at fair value through other comprehensive income	**-**	**-**	**10,861,836**	**10,861,836**
December 31, 2017				
Non-current financial assets				
Financial assets at fair value through other comprehensive income	**-**	**-**	**20,303,602**	**20,303,602**

33. FINANCIAL INSTRUMENTS (continued)

d. Fair value of financial instruments (continued)

The carrying values of cash on hand and in banks, trade receivables, contract assets, other receivables, trade payables, accrued expenses, and other current liabilities approximate their fair values because of their short-term nature. Investments in unquoted equity instruments, recorded under non-current financial assets, are carried at fair value based on discounted cash flow. The carrying value of loans payable and other payables approximates its fair value due to floating interest rate or are discounted using prevailing market interest rates with similar terms to these financial liabilities.

The following table provides valuation analysis methods of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

There were no transfers between Level 1 and 2 fair value measurements and no transfers into and out of Level 3 fair value measurement.

Reconciliation of financial assets at fair value through other comprehensive income:

	SVL		Nevaeh Limited	
	2018	2017	2018	2017
Beginning balance	**10,427,675**	**7,723,582**	**9,875,927**	**6,607,919**
Unrealized gain (loss) on change in fair value	(10,206,371)	2,704,093	764,605	3,268,008
Ending balance	**221,304**	**10,427,675**	**10,640,532**	**9,875,927**

34. SUPPLEMENTARY INFORMATION FOR CASH

a. Siginificant non-cash investing activities are as follows:

	2018	2017
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(9,441,766)	5,972,101

34. SUPPLEMENTARY INFORMATION FOR CASH (continued)

b. Changes in liabilities arising from financing activities are as follows:

	December 31, 2018				
	December 31, 2017	Cash flow	Effective interest amortization	Movement of foreign exchange	December 31, 2018
Long-term liabilities					
Loans payable	27,572,521	(2,885,950)	70,595	(692,673)	24,064,493
Other payables	10,431,545	(1,319,078)	366,378	-	9,478,845
Total	**38,004,066**	**(4,205,028)**	**436,973**	**(692,673)**	**33,543,338**

	December 31, 2017					
	December 31, 2016	Cash flow	Effective interest amortization	Loss on amendment of terms	Movement of foreign exchange	December 31, 2017
Long-term liabilities						
Loans payable	29,433,415	(2,910,459)	205,122	948,448	(104,005)	27,572,521
Other payables	11,624,122	(1,584,586)	394,425	-	(2,416)	10,431,545
Accrued HY bond	1,100,000	(1,100,000)	-	-	-	-
Total	**42,157,537**	**(5,595,045)**	**599,547**	**948,448**	**(106,421)**	**38,004,066**

35. GOING CONCERN

The Company's debt restructuring that began in 2012 has been completed in November 2015. After the restructuring, the Group has gradually increased the number of its vessels into eight (8), where 3 (three) vessels were purchased using preferred equity interest earned from MLA Restructuring (Note 32). The Group continued optimizing its profitable assets and cost efficiency up to the reporting date.

The decrease in Group's equity from US$ 32.1 million as of December 31, 2017 to US$ 29.0 million as of December 31, 2018 was mainly due to decline in fair value of its investments in equity instruments.

Management believes Group's performance will improve in the following years, hence able to meet its obligations on a timely basis in accordance with the provisions of the PKPU Amendment Plan. Therefore, the Group is undertaking the following strategic implementation:

a. Focus to operate in domestic Indonesia in relation with the government policy to affirm the implementation of B20 program (20% biodiesel), which has been implemented since September 2018. The B20 program is a government strategic program to reduce trade balance deficit by increasing obligation to mix biodiesel in diesel oil up to 20%.

   Biodiesel is Fatty Acid Metyl Ester (FAME) produced from palm oil through esterification process, and is a type of cargo required to use chemical tankers transportation, which is the Group's main business.

   With the enactment of this policy, biodiesel needs, as well its transportation will be doubled to 6 million kiloliters in 2019. The Group has taken the necessary strategic steps to gain benefit from this policy in 4th quarter of 2018.

b. Increase the portion of Time Charter so as to maintain a more stabilized revenue from operations.

c. Remain focused on maintaining an efficient cost structure by working closely with all ship managers to ensure the maintenance of fleet is carried out efficiently and having a lean and effective workforce.

d. Business extensification that is still related to Group's main business such as port agency.

35. GOING CONCERN (continued)

Despite the current uncertain international economic outlook, management believes that the Group will be able to fulfill its obligations under the PKPU Amendment Plan, execute its strategies and manage its business and financial risks successfully. The Group's management also believes that the Group has adequate resources to continue its operational existence in the foreseeable future. Accordingly, the Group continues to adopt the going concern assumption in preparing the consolidated financial statements.

The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty disclosed above.

36. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has adopted IFRS 9, “Financial Instruments”, and IFRS 15, “Revenue from Contracts with Customers”, starting January 1, 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 9, “Financial Instruments”, replaces IAS 39, “Financial Instruments: Recognition and Measurement”, bringing together all three aspects of the the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

The Group has applied IFRS 9 retrospectively, with the initial application date of January 1, 2018 and adjusting the comparative information for the period beginning January 1, 2017/December 31, 2016.

IFRS 15, “Revenue from Contracts with Customers”, supersedes IAS 11, “Construction Contracts”, and IAS 18, “Revenue”, and related interpretations. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of January 1, 2018. The cumulative effect of initial application is recognized at the date of initial application as an adjustment to the opening balance of deficit. Therefore, the comparative information was not restated and continues to be reported under IAS 18 and related interpretations.

The impact on consolidated financial statements as of January 1, 2018 is as follows:

	January 1, 2018		
	As previously stated	Restatement	As restated
ASSETS			
Trade receivables - third parties - net	1,678,618	(245,445)	1,433,173
Contract assets	-	245,445	245,445
Investments in associates and joint venture	21,245,260	738,734	21,983,994
Liabilities			
Uneraned revenue	223,727	(223,727)	-
Contract liabilities	-	223,727	223,727
Net Equity			
Deficit	(1,237,673,555)	738,734	(1,236,934,821)

36. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The impact in the 2017 and 2016 consolidated financial statements are as follows:

	As of and for the year ended December 31, 2017		
	As previously stated	Restatement	As restated
ASSETS			
Other receivables - third parties	1,112,767	(723,334)	389,433
Available-for-sale financial assets	17,035,594	(17,035,594)	-
Non-current financial assets	-	20,307,519	20,307,519
Other non-current assets	3,917	(3,917)	-
NET EQUITY			
Reserves	13,776,934	(42,473,386)	(28,696,452)
Unrealized gain on available-for-sale financial assets	6,245,614	(6,245,614)	-
Deficit	(1,288,937,229)	51,263,674	(1,237,673,555)
PROFIT (LOSS)			
Administrative expenses	(4,278,905)	(82,126)	(4,361,031)
OTHER COMPREHENSIVE INCOME (LOSS)			
To be reclassified to profit or loss in subsequent period: Changes in fair value of non-current financial assets	-	5,972,101	5,972,101
To be reclassified to profit or loss in subsequent period: Changes in fair value of available-for-sale financial assets	2,704,093	(2,704,093)	-

	December 31, 2016/January 1, 2017		
	As previously stated	Restatement	As restated
ASSETS			
Other receivables - third parties	1,067,683	(641,208)	426,475
Derivative financial asset	12,965,258	(12,965,258)	-
Available-for-sale financial assets	14,331,501	(14,331,501)	-
Non-current financial assets	-	27,300,676	27,300,676
Other non-current assets	3,917	(3,917)	-
NET EQUITY			
Reserves	22,736,775	(48,445,487)	(25,708,712)
Unrealized gain on available-for-sale financial assets	3,541,521	(3,541,521)	-
Deficit	(1,284,394,229)	51,345,800	(1,233,048,429)

36. RESTATEMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

The nature of these adjustments are described below:

(i) The Group has elected to classify its unquoted equity instruments classified as available-for-sale financial assets to financial assets at fair value through other comprehensive income. Impairment losses that were charged to profit or loss in previous years were reclassified from deficit to fair value reserves under Reserves account.

(ii) As per requirement of IFRS 9, all equity instruments are measured at fair value. Investment in shares of Nevaeh Limited has been measured from cost method to fair value.

(iii) Expected credit losses from financial assets measured at amortized cost were recognized. No additional impairment was recognized from trade receivables in 2017 and 2016 as amount is insignificant.

(iv) Contract costs incurred by Teekay BLT Corporation have been capitalized and amortized over the life of the contract. This adjustment has been applied on January 1, 2018 which amounted to US$ 738.7 thousand.

(v) Revenues of the Group from freight are already recognized and categorized on a period-related basis, therefore, the adoption of IFRS 15 does not have significant impact to the Group.

(vi) IFRS 15 introduced contract assets and contract liabilities. Contract assets mainly include receivables in connection with voyages not yet completed as of reporting date. The presentation of trade receivables in the consolidated statement of financial position as of December 31, 2018 was correspondingly reduced by this amount.

37. EVENTS AFTER THE REPORTING PERIOD

The Group determined the following significant events after the reporting date:

- In January 2019 until issuance of these consolidated financial statements one, of the Group's vessel is detained at the port of Ranong, Thailand. Management believes that the vessel is wrongfully detained and is currently taking actions in accordance with section 85/1 of Thailand's Criminal Procedure Code to protect the interests and rights of the Group.

- The Company's director, Anthony Budiawan, has tendered his resignation effective on January 25, 2019.

- In January 2019, the Group entered into shares sale and purchase agreement with a third party in relation to sale of the Group's entire shares in SVL.

38. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the consolidated financial statements that were completed and authorized for issue on February 28, 2019.