



Jakarta, 30 November 2018

No: B. 056 /DIR/Corpsec/MDP/1118

Subject : Explanation and Opinion of Management for Changes of more than 20% in Total Asset Posts

To.

PT Bursa Efek Indonesia

Gedung Bursa Efek Indonesia Tower I lantai 6

Jl. Jend. Sudirman Kav 52-53

Jakarta 12190

Up: Director of Corporate Valuation

With Respect,

Through this letter, we submit an explanation of the change in increase of more than 20% (twenty percent) in the total consolidated assets as of September 30, 2018 compared to the Financial Report as of December 31, 2017.

Regarding the increase in the total assets post above, we present the details of the assets above:

	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>Enhancement (Degresion)</u>	<u>%</u>
CURRENT ASSET				
Cash and cash equivalents	268.013.761.256	18.274.576.702	249.739.184.554	1367%
Trade receivables				
Third Parties	17.464.318.884	6.262.782.040	11.201.536.844	179%
Related Parties	36.986.817.888	3.692.191.839	33.294.626.049	902%
Other Receivable				
Third Parties	149.978.171	56.492.156	93.486.015	165%
Related Parties	243.142.183	-	243.142.183	100%
Current prepaid taxes	15.434.379.815	78.506.168	15.355.873.647	19560%
Current Advances	13.455.499.396	6.509.568.255	6.945.931.141	107%
Current prepaid expenses	237.104.847	1.531.934	235.572.913	15377%
Total Current Asset	351.985.002.441	34.875.649.094	317.109.353.347	909%

	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>Enhancement (Degresion)</u>	<u>%</u>
NON-CURRENT ASSET				
Prepaid Expenses	241.395.436	200.000.000	41.395.436	21%
Other receivable related parties	19.921.371.478	30.064.698.846	(10.143.327.368)	-34%
Fixed Asset - neto	715.207.093.533	4.222.991.793	710.984.101.740	16836%
Investment Property - neto	119.025.287.543	-	119.025.287.543	100%
FILM Asset	178.261.209.823	131.621.230.283	46.639.979.541	35%
Deferred tax assets	454.794.250	399.440.500	55.353.750	14%
Others Asset	2.000.000	-	2.000.000	100%
Total Non- Current Asset	1.033.113.152.063	166.508.361.421	866.604.790.642	520%
TOTAL ASSET	1.385.098.154.504	201.384.010.515	1.183.714.143.989	588%

Based on the table above, the Company's total assets have increased by 588% due to:

1. In-stock capital deposit transactions that occur in February 2018, which cause the Company's fixed assets and investment property to increase,
2. The acquisition of the Company's subsidiary in February 2018, which caused an increase in the Company's fixed assets,
3. The Company's Initial Public Offering in August 2018 which causes the Company's cash to increase, and
4. The Company's film production increased until September 30, 2018 so that the Company's film assets increased.

The increase in these posts is still within the scope of the Company's business development.

Thus we convey this explanation and opinion, we thank you for your attention and cooperation.

Sincerely yours,

PT MD Pictures Tbk

Ttd 

Venkatachari Soundararajan

Director