IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: By accepting the email and accessing the attached offering circular you will be deemed to have represented to BNP Paribas, Deutsche Bank AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch that (i) you are not resident in the United States and, to the extent you purchase the securities described in the attached offering circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") and (ii) that you consent to delivery of the attached offering circular and any amendments or supplements thereto by electronic transmission.

This offering circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantors, BNP Paribas, Deutsche Bank AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch or any person who controls, or is a director, officer, employee, agent, representative or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic form and the hard copy version available to you on request from BNP Paribas, Deutsche Bank AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch.

Restrictions: The attached offering circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the offering circular. You are reminded that the information in the attached document is not complete and may be changed. Any investment decision should be made on the basis of a complete final offering circular.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

You are reminded that you have accessed the attached offering circular on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

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THETA CAPITAL PTE. LTD.

(incorporated in the Republic of Singapore with limited liability)

US$425,000,000
6.75% SENIOR NOTES DUE 2026
UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY

LIPPO
PT LIPPO KARAWACI TBK

PT LIPPO KARAWACI TBK

(incorporated in the Republic of Indonesia with limited liability)

AND CERTAIN OF ITS SUBSIDIARIES

ISSUE PRICE: 100.0%

The US$425,000,000 6.75% Senior Notes due 2026 (the "Notes") to be issued by Theta Capital Pte. Ltd. (the "Issuer") will bear interest from and including October 31, 2016 at the rate of 6.75% per annum payable semi-annually in arrear on April 30 and October 31 of each year (each, an "Interest Payment Date") commencing on April 30, 2017.

The Issuer is a wholly-owned subsidiary of PT Lippo Karawaci Tbk. (the "Company"). The Issuer will contribute the net proceeds of the offering of Notes to Theta Kemang Pte. Ltd. ("Kemang"), a company incorporated in the Republic of Singapore with limited liability and a wholly-owned subsidiary of the Issuer. Kemang acts as a group financing company and will use the funds obtained from the Issuer for the redemption of the 2020 Notes as defined herein. See "Use of Proceeds" and "The Issuer".

Unless previously redeemed or purchased and canceled as provided in the terms and conditions of the Notes (the "Conditions"), the Notes will be redeemed at their principal amount on October 31, 2026 (the "Maturity Date"). At any time on or after October 31, 2021, the Issuer may redeem the Notes, in whole or in part, at the redemption prices specified under "Terms and Conditions of the Notes — Redemption, Purchase and Cancelation — Optional Redemption", plus accrued and unpaid interest, if any, to the redemption date. At any time prior to October 31, 2021, the Issuer may at its option redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined herein) and accrued and unpaid interest, if any, to the redemption date. At any time prior to October 31, 2019, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from certain equity offerings at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date. No later than 30 days following a Change of Control Triggering Event (as defined herein), the Issuer will make an offer to repurchase all Notes then outstanding at a purchase price equal to 101.0% of their principal amount plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date (as defined herein). The Notes are subject to redemption in whole but not in part, at 100.0% of their principal amount, together with accrued and unpaid interest to the date of repurchase, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Republic of Singapore or the Republic of Indonesia ("Indonesia"). See "Terms and Conditions of the Notes — Redemption, Purchase and Cancelation".

Payments on the Notes will be made in U.S. dollars without deduction for or on account of taxes imposed or levied by Indonesia or Singapore (and certain other jurisdictions) to the extent described under "Terms and Conditions of the Notes — Taxation". The Company and certain of its subsidiaries described herein (together with the Company, the "Guarantors") will unconditionally and irrevocably guarantee the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes (the "Guarantees").

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 15 for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes and the Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States. The Notes are being offered and sold outside the United States in reliance on Regulation S of the Securities Act ("Regulation S"). See "Subscription and Sale".

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("MAS") and the Notes are offered by the Issuer pursuant to exemptions invoked under Sections 274 and 275 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA; (ii) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

The Company has obtained approval-in-principle for the listing of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST takes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of either us, this offering or the Notes.

The Notes will initially be represented by a global certificate (the "Global Certificate"), in registered form, which will be registered in the name of the nominee of the common depositary for Clearstream Banking S.A. ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V. ("Euroclear") on or about October 31, 2016. Except as described herein, definitive certificates ("Definitive Certificates") evidencing holdings of Notes will not be issued in exchange for beneficial interests in the Global Certificate. See "Summary of Provisions Relating to the Notes While in Global Form".

The Notes are expected to be rated "Ba3" by Moody's Investors Service, Inc. ("Moody's"), "BB-" by Fitch Ratings ("Fitch") and "B+" by Standard and Poor's Ratings Group, a division of McGraw-Hill Companies, Inc. ("Standard & Poor's"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Global Coordinators

BofA Merrill Lynch **BNP PARIBAS** **Deutsche Bank**

Joint Bookrunners

BofA Merrill Lynch **BNP PARIBAS** **Deutsche Bank** **Citigroup** **Credit Suisse** **UBS**

The date of this Offering Circular is October 24, 2016.

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We and the Issuer accept responsibility for the information contained in this Offering Circular. Having made all reasonable enquiries, we and the Issuer confirm that this Offering Circular contains all information with respect to the Issuer, us, the Notes and the Guarantees that is material in the context of the issue and the offering of the Notes, that the information in this Offering Circular is true and accurate in all material respects, that the opinions and intentions expressed in this Offering Circular are honestly held, are not misleading in any material respect and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that neither we nor the Issuer are aware of any other facts the omission of which in our or its reasonable opinion might make this document as a whole or any of such information or the expression of any such opinions or intentions materially misleading, that all reasonable inquiries have been made by us or the Issuer to verify the accuracy of such information, and that this Offering Circular does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or that is necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading.

This Offering Circular is confidential and has been prepared by us and the Issuer solely for use in connection with the issue and offering of the Notes described herein. Each of us and the Issuer and BNP Paribas ("BNP Paribas"), Deutsche Bank AG, Singapore Branch ("Deutsche Bank"), Merrill Lynch (Singapore) Pte. Ltd. ("BofA Merrill Lynch"), Citigroup Global Markets Singapore Pte. Ltd. ("Citi"), Credit Suisse (Singapore) Limited ("Credit Suisse") and UBS AG, Singapore Branch ("UBS" and together with BNP Paribas, Deutsche Bank, BofA Merrill Lynch, Citi and Credit Suisse, the "Joint Bookrunners") reserve the right to reject any offer to subscribe for the Notes, in whole or in part, for any reason. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Any disclosure of any of the contents of this Offering Circular, without our prior written consent, is prohibited. Each prospective purchaser, by accepting delivery of the Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents attached hereto.

The distribution of this Offering Circular and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by us and the Joint Bookrunners to inform themselves about and to observe any such restrictions. See "Subscription and Sale". No action is being taken to permit a public offering of the Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. No representation or warranty, express or implied, is made by the Joint Bookrunners or the Trustee as to the accuracy or completeness of the information set forth herein, and nothing contained in this Offering Circular is, or shall be relied upon as a promise or representation, whether as to the past or the future. None of the Joint Bookrunners, the Trustee, the Registrar, the Paying Agent and any Transfer Agent (each as defined herein) has independently verified any of such information and assumes no responsibility for its accuracy or completeness.

No person has been authorized to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Company or the Joint Bookrunners. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in our affairs since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in our financial position since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Bookrunners, the Trustee, the Registrar, the Paying Agent and the Transfer Agent do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Bookrunners, the Trustee, the Registrar, the Paying Agent and the Transfer Agent or any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision. Each person contemplating making an investment in the Notes must make its own investigation and analysis of our creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this Offering Circular as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Notes for an indefinite period of time. Each person should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of an investment in the Notes.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of us, the Joint Bookrunners or any affiliate or representative of any of us or them to subscribe for or purchase, any Notes in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation.

Neither we nor the Joint Bookrunners nor any affiliate or representative of us or any of them are making any representation to any investor regarding the legality of an investment by such investor under applicable laws.

Each purchaser of the Notes must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Notes or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Notes under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and neither we nor the Joint Bookrunners shall have any responsibility therefor. For the avoidance of doubt, any disclosure of the contents of this Offering Circular, without our prior written consent, is prohibited.

This Offering Circular is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc".) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a Prospectus for offers of Notes. The expression Prospectus Directive means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

In connection with the offering of the Notes, the Joint Bookrunners are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the issue.

In connection with the issue of the Notes, Merrill Lynch (Singapore) Pte. Ltd. (the "Stabilizing Manager") (or persons acting on behalf of the Stabilizing Manager) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager (or persons acting on its behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over-allotment must be conducted by the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) in accordance with all applicable laws and rules.

CONVENTIONS WHICH APPLY TO THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to "Indonesia" are references to the Republic of Indonesia. All references to the "Government" herein are references to the Government of the Republic of Indonesia. All references to "United States" or "US" herein are to the United States of America. All references to "United Kingdom" herein are to the United Kingdom of Great Britain and Northern Ireland. All references to "Singapore" herein are to the Republic of Singapore.

For convenience, certain U.S. dollar amounts have been translated into Rupiah amounts, based on the prevailing exchange rate on June 30, 2016 of Rp13,180 = US$1.00, being the average of buying and selling rates of exchange for Rupiah against U.S. dollars quoted by Bank Indonesia on that date. Such translations should not be construed as representations that the Indonesian Rupiah or U.S. dollar amounts referred to could have been, or could be, converted into Rupiah or U.S. dollars, as the case may be, at that or any other rate or at all. See "Exchange Rates and Exchange Controls" for further information regarding rates of exchange between the Rupiah and U.S. dollar.

In this Offering Circular, "the Issuer" refers to Theta Capital Pte. Ltd., "Kemang" refers to Theta Kemang Pte. Ltd. and, unless the context otherwise requires, "we", "us", "our" and "the Company" refer to PT Lippo Karawaci Tbk. and its subsidiaries taken as a whole. "Greater Jakarta" refers, collectively, to the cities of Jakarta, Bogor, Tangerang, Bekasi and Depok.

PRESENTATION OF FINANCIAL INFORMATION

The financial information included in this Offering Circular has been derived from the consolidated financial statements of the Company. Unless otherwise indicated, financial information in this Offering Circular has been prepared in accordance with Indonesian Financial Accounting Standards ("Indonesian FAS"), which differs in significant respects from International Financial Reporting Standards ("IFRS"). For a summary of certain differences between Indonesian FAS and IFRS, see "Summary of Certain Differences between Indonesian FAS and IFRS" included elsewhere in this Offering Circular. Unless otherwise indicated or otherwise required by the context, all references in this Offering Circular to "Rupiah" or "Rp" are to the lawful currency of Indonesia. References to "U.S. dollars" or "US$" are to United States dollars, the lawful currency of the United States. References to "Singapore dollars" or "S$" are to Singapore dollars, the lawful currency of the Republic of Singapore. Rounding adjustments have been made in calculating some of the financial information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

NON-GAAP/NON-IFRS FINANCIAL MEASURES

EBITDA as well as the related ratios presented in this Offering Circular are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indonesian FAS or IFRS. EBITDA in this Offering Circular represents our income from operations under Indonesia FAS plus depreciation. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible.

We believe that EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), the age and booked depreciation and amortization of assets (affecting relative depreciation and amortization of expense). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-GAAP/non-IFRS financial measures when reporting their results. Finally, EBITDA is presented as a supplemental measure of our ability to service debt. Nevertheless, EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for analysis of, our financial condition or results of operations, as reported under Indonesian FAS. Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to invest in the growth of our business.

ENFORCEABILITY

Enforceability of Foreign Judgments in Indonesia and the Republic of Singapore

The Issuer is incorporated in the Republic of Singapore and the Company and the Subsidiary Guarantors are incorporated in Indonesia. One of the directors of the Issuer resides in the Republic of Singapore, while the other director of the Issuer resides in the Republic of Philippines and all of the Company's commissioners, directors and executive officers (and certain experts named in this Offering Circular) reside in Indonesia. The Issuer is a special-purpose company with limited assets, while all or a substantial portion of the Company's and the Subsidiary Guarantors' assets are located in Indonesia. As a result, it may not be possible for investors to effect service of process outside of Indonesia, including judgments, upon such persons, or to enforce against the Company and the Subsidiary Guarantors in an Indonesian court, judgments obtained in courts outside of Indonesia.

Judgments of English courts are not enforceable in Indonesian courts. A foreign court judgment could be offered and accepted into non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate in its sole discretion. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. Re-examination of the underlying claim *de novo* would be required before the Indonesian court. There can be no assurance that the claims or remedies available under Indonesian law will be the same, or as extensive, as those available in other jurisdictions.

Pursuant to Articles 3, 11 (1) and 11 (2) of the Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution ("Law No. 30/1999"), a written arbitration agreement obviates the rights of the parties to bring a dispute in the Indonesian district court, which would otherwise have jurisdiction over civil disputes. Further, based on said law, such court has no authority to hear disputes where parties are bound by an arbitration agreement and is required to reject and not participate in the resolution of disputes which have already been adjudicated by arbitration, except in limited circumstances as provided in the Law No. 30/1999. In general, Indonesian courts should honor such arbitration agreements. However, there are a number of precedents whereby parties who lost (or expect to lose) an arbitration attempt to by-pass an arbitration agreement or award by bringing a lawsuit before an Indonesian district court on a theory of tort or fraud, and Indonesian courts have accepted the lawsuit on such basis and awarded damages to the losing party in the arbitration on the grounds of tort despite the clear agreement by the relevant parties to arbitrate.

There were also a number of cases in which foreign arbitral awards were annulled by the Indonesian courts. Pursuant to Article 70 of Law No. 30/1999, an application to annul an arbitration award may be made if any of the following conditions are alleged to exist: (i) letters or documents submitted in the hearings are acknowledged to be false or forged or are declared to be forgeries after the award has been rendered, (ii) after the award has been rendered, documents are found which are decisive in nature and which were deliberately concealed by the opposing party, or (iii) the award was rendered as a result of fraud committed by one of the parties to the dispute. The elucidation to Article 70 states: "…the basis for the annulment petition as mentioned in this article shall be evidenced by a court decision. If a court decides that the basis for the petition is with or without merit, then this court decision may be used as grounds for a judge to grant or reject the petition". Further, pursuant to Article 72 (2) of Law No. 30/1999, if the application (for annulment) is granted, the Chairman of the relevant Indonesian district court shall determine further the consequences of the annulment of the whole, or a part, of the arbitration award.

The Company has been advised by its Singapore Counsel, Morgan Lewis Stamford LLC, that foreign court judgments are not automatically enforceable in the Republic of Singapore, unless that foreign country and Singapore are parties to a treaty providing for reciprocal recognition and enforcement of judgments. As Indonesia and the Republic of Singapore do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters, a final and conclusive judgment for the payment of money rendered by any courts in Indonesia based on civil liability, would not be enforceable in Singapore as if it was a judgment of the Singapore court. However, if the party in whose favor such final judgment is rendered brings a new suit in a court of competent jurisdiction in Singapore, such party may submit to the Singapore court the final judgment that has been rendered in Indonesia as evidence of fact in relation to the claim for the money judgment. If and to the extent the Singaporean court finds that the jurisdiction of the court in Indonesia is an *in personam* final and conclusive judgment, which is also judgment for a definite sum of money, the Singapore court will, in principle, grant a Singapore judgment for the sum entered under the foreign judgment, without substantive re-examination or re-litigation on the merits of the subject matter thereof, unless such judgment was procured by fraud or its enforcement would be contrary to public policy in Singapore or that the proceedings in which it was obtained were contrary to natural justice.

The agreements entered into with respect to the issue of the Notes are governed by the laws of England. The recognition and enforcement in the Republic of Singapore of a judgment rendered by an English court will be subject to the provisions of the Reciprocal Enforcement of Commonwealth Judgments Act, Chapter 264 of Singapore. Each of the Issuer and the Guarantors will designate Law Debenture as its agent for service of process in England with respect to the Notes, the Guarantees, the Trust Deed (as hereinafter defined) and the Agency Agreement.

Enforceability of the Guarantees in Indonesia

Under the Indonesian Civil Code, a guarantor may waive its right to require the obligee to exhaust its legal remedies against the obligor's assets on a guaranteed obligation prior to the obligee exercising its rights under the related guarantee. The Guarantees contain a waiver of this obligation. The Indonesian Guarantor(s) have been advised by their Indonesian legal advisor that they may successfully argue that, even though a guarantee contains such waivers, the Indonesian Guarantor(s) may nevertheless require that the obligee must first prove that all available legal remedies against the obligor have in fact, been exhausted, before it can pursue the guarantor. Paragraph 1 of Article 1832 of the Indonesian Civil Code stipulates that once a guarantor has waived its rights to require a lender to exhaust its legal remedy against the obligor, such guarantor may no longer claim otherwise. However, the outcome of specific cases in the Indonesian legal system is subject to considerable discretion and uncertainty. See "Risk Factors — Risks Relating to the Notes and the Guarantees — Through the purchase of the Notes, the noteholders may be exposed to a legal system subject to considerable discretion and uncertainty; it may be difficult or impossible for noteholders to pursue claims under the Notes or the Guarantees".

In several court cases in Indonesia, Indonesian companies that had defaulted on debt incurred through offshore financing entities (using structures involving a guarantee issued by an Indonesian company) have sued their creditors to, among other things, invalidate their debt obligations and have sought damages from creditors exceeding the original proceeds of the debt issued. In one case, which was subsequently settled, an Indonesian court annulled the transaction documents in a structure involving a guarantee issued by an Indonesian company for debt of an offshore subsidiary. In another case, an Indonesian court declared a loan agreement between an offshore entity and its creditors null and void, awarding damages to the defaulting borrower. The courts' reports of these decisions do not provide a clear factual basis of legal rationale for the judgments.

In a June 2006 decision that was released in November 2006, the Indonesian Supreme Court affirmed a lower court judgment that invalidated US$500 million of notes issued through an offshore offering structure (the "June 2006 Decision"). The decision involved an Indonesian listed Company, PT Indah Kiat Pulp & Paper Tbk. ("Indah Kiat"), as plaintiff and various parties as the defendants using a structure similar to this offering of the Notes and the Guarantees, whereby notes were issued through Indah Kiat International Finance Company B.V. ("Indah Kiat Finance"), a Dutch subsidiary which was established for the purpose of the issuance of the Indah Kiat notes, and guaranteed by Indah Kiat. The Indonesian Supreme Court upheld the decisions of a District Court and High Court in Indonesia in favor of Indah Kiat. The Indonesian courts ruled that the defendants (including the trustee, underwriter and security agent for the issuance of the Indah Kiat notes) committed a tort (*perbuatan melawan hukum*), and therefore the issuance of the notes was declared null and void. The courts nullified the notes by reasoning that the contracts made in relation to the notes were signed without any legal cause, and so did not meet the provision of Article 1320 of the Indonesian Civil Code which requires a legal cause as one of the elements for a valid agreement. The Indonesian courts accepted the plaintiff's argument that Indah Kiat acted both as a debtor and as a guarantor of the same debt even though in the facts of the case Indah Kiat Finance was the issuer of the notes and Indah Kiat was the guarantor of such notes. The Indonesian courts also ruled that the establishment of Indah Kiat Finance was unlawful as it was intended to avoid Indonesian withholding tax payments.

On August 19, 2008, the Indonesian Supreme Court granted a civil review (*peninjauan kembali*) and annulled the June 2006 Decision (the "August 2008 Decision"). The Indonesian Supreme Court in its civil review decision stated that Indah Kiat had failed to prove that the transaction was an act of legal manipulation that caused damages to Indah Kiat. Therefore, the Indonesian Supreme Court concluded that the defendants did not commit any unlawful act. Further, the Indonesian Supreme Court maintained that it was clear that the money borrowed by Indah Kiat from Indah Kiat Finance was in fact originated from the issuance of notes, as evidenced in the recital of the relevant loan agreement, and thus the claim that the whole transaction was a manipulation of law had no merit. Moreover, with regard to the validity and enforceability of the security documents, the civil review stated that the security agreements would prevail as long as the underlying agreements were still valid and binding. On the tax issues, the civil review considered that the Indonesian Supreme Court has misapplied the tax law as it did not prohibit tax saving, and thus the claim relating to tax was annulled. The civil review also stated that for certain New York law governed agreements in the transaction (such as the indenture, the loan agreement, the amended and restated loan agreement and the underwriting agreement), the claim should be brought to the appropriate court in the state of New York.

Despite the decision described above, the Indonesian Supreme Court has taken a contrary view with respect to PT Lontar Papyrus Pulp & Paper Industry ("Lontar Papyrus"), a sister corporation of Indah Kiat. According to an Indonesian Supreme Court decision at the civil review level (which was subsequently upheld by the Indonesian Supreme Court at the appellate level) in March 2009, the Indonesian Supreme Court refused a civil review (the "March 2009 Decision") of a judgment by the District Court of Kuala Tungkal, in South Sumatra, which invalidated US$550 million of notes issued by APP International Finance Company B.V. ("APPC") and guaranteed by Lontar Papyrus. Lontar Papyrus' legal arguments in its lower court case were fundamentally the same as those in the earlier cases by Indah Kiat — namely, that, under the notes structure, the plaintiff was acting as both the debtor and guarantor for the same debt and, therefore, the structure was invalid. The Indonesian Supreme Court's refusal to grant a civil review effectively affirmed the lower court's decision to invalidate all of the transaction documents, including Lontar Papyrus's obligations as the guarantor under the notes, and meaning the verdict is now final. The Indonesian Supreme Court's refusal to grant the civil review was based on reasons that the loan agreement between APPC and Lontar Papyrus and the indenture with regard to the issuance of notes required adjustment to observe the prevailing laws and regulations in Indonesia. In addition, the fact that the loan has been paid in full by Lontar Papyrus to APPC under the relevant loan agreement resulted in Lontar Papyrus having no continuing outstanding legal obligation, either as debtor under the relevant loan agreement or as guarantor under the indenture. Lontar Papyrus and Indah Kiat are subsidiaries of Asia Pulp & Paper Company Ltd., and their original court cases against their creditors were filed at approximately the same time. While the lower court decisions in certain of these cases have been ultimately annulled by the Indonesian Supreme Court, as was the case in the August 2008 Decision on the Indah Kiat matter, it appears that the Indonesian Supreme Court has taken a contradictory view on the Lontar Papyrus case.

The Indonesian Supreme Court was of the view that Lontar Papyrus had fully paid its debt to APPC under the relevant loan agreement; therefore, there was no other legal obligation that remained to be fulfilled by Lontar Papyrus, whether in its capacity as debtor under the loan agreement or as guarantor under the indenture. Further, the Supreme Court was of the view that any claim from the noteholders should be addressed to APPC as the issuer and should be pursued separately. The Indonesian Supreme Court did not consider the fact that it was APPC which had defaulted on its payment obligations to the noteholders and that Lontar Papyrus had guaranteed the payment obligation of APPC under the notes. In addition, the Indonesian Supreme Court affirmed the lower court decision that has invalidated all of the transaction documents, including the guarantee.

In a September 2011 decision (the "September 2011 Decision"), the Indonesian Supreme Court, whose judgment has not been made publicly available, refused a civil review of a decision by the District Court of Bengkalis (whose judgment was the subject of the Indonesian Supreme Court's June 2006 Decision and August 2008 Decision), which invalidated the notes issued by Indah Kiat BV. The facts and legal claims presented by Indah Kiat BV were substantially the same as those made by Indah Kiat in the lower court cases that were the subject of the June 2006 Decision. The September 2011 Decision specifically noted that the Indonesian Supreme Court chose to not consider its August 2008 Decision despite such substantially similar facts and legal claims.

The Indonesian Supreme Court's refusal to grant civil reviews of the lower court decisions in the March 2009 Decision and September 2011 Decision effectively affirmed the lower courts' decisions to invalidate the relevant notes and the issuers' and guarantors' obligations under such notes, and such lower court decisions are now final and not subject to review.

There is also an instance where the Indonesian court, through a suspension of payment proceedings, failed to acknowledge noteholders as creditors of the parent guarantor under a guarantee arrangement similar to that of the Notes. On December 8, 2014, the Supervisory Judge in proceedings before the Commercial Court of the Central Jakarta District Court determined that noteholders were not creditors of PT Bakrie Telecom Tbk ("Bakrie Tel") for purposes of its court-supervised debt restructuring, known as a PKPU (the "Bakrie Tel PKPU"). Bakrie Tel, an Indonesian telecommunications company, was the guarantor of US$380 million of senior notes issued in 2010 and 2011 by a Singapore-incorporated special purpose vehicle that is a subsidiary of Bakrie Tel. The proceeds from the offering of the notes were on-lent to Bakrie Tel pursuant to an intercompany loan agreement, which was guaranteed by Bakrie Tel and assigned to the noteholders as collateral. In its decision affirming the debt restructuring composition plan, the Commercial Court accepted the Supervisory Judge's determination that the relevant creditor of Bakrie Tel in respect of the US$380 million notes was the issuer's subsidiary, rather than the noteholders or the trustee, and gave no effect to the guarantee. As such, only the intercompany loan was recognized by the Commercial Court as indebtedness on which Bakrie Tel was liable for purposes of the Bakrie Tel PKPU. As a result, only the issuer's subsidiary had standing as a Bakrie Tel creditor to vote in the Bakrie Tel PKPU proceedings, whereby the terms of the U.S. dollar bonds and the guarantee were substantially altered. See "Risk Factors — An Indonesian court has limited certain rights of the trustee, acting on behalf of the holders of U.S. dollar bonds, in relation to the parent guarantor, in a decision that affected the holders' rights and the terms of the bonds in connection with a debt restructuring of the parent guarantor".

Similar to the Bakrie Tel PKPU case, an Indonesian company, PT Trikomsel Oke Tbk ("Trikomsel"), in early 2016 entered into a suspension of payment obligation (PKPU) under the Indonesia bankruptcy law regime. The PKPU administrators were reported to have rejected claims that arose from holders of their two Singaporean

Dollar bonds and took the position that the trustees under such bonds did not have any standing to make claims on behalf of bondholders. Further, they asserted that only individual bondholders that had filed claims on their own would be able to participate in the PKPU proceedings and be permitted to vote on any restructuring plan. On September 28, 2016, the PKPU process was settled between Trikomsel and its creditors through the establishment of a composition plan (*rencana perdamaian*), which was approved by certain bondholders and subsequently ratified by the Jakarta Commercial Court. Based on an announcement from Trikomsel on October 5, 2016, under the approved composition plan, the bondholders of the two of Singapore Dollar bonds may be required to exchange their notes into new shares to be issued by Trikomsel, thereby extinguishing the bonds.

The Indonesian court decisions are not binding precedents and do not constitute a source of law at any level of the judicial hierarchy as would typically be the case in common law jurisdictions such as the United States and the United Kingdom. This means that while lower courts are not bound by the Indonesian Supreme Court decisions, such decisions have persuasive force. Therefore, there can be no assurance that in the future a court will not issue a similar decision to the September 2011 Decision mentioned above in relation to the validity and enforceability of the Notes and the Guarantees or grant additional relief to the detriment of noteholders, if the Issuer were to contest efforts made by noteholders to enforce these obligations.

For a description of potential limitations on enforcement against the Guarantors and the right of the holders of the Notes under the Guarantees, see "Risk Factors — Risks Relating to the Notes and the Guarantees — Indonesian companies have filed suits in Indonesian courts to invalidate transactions with offshore structures and have successfully brought legal action against lenders and other transaction participants. Moreover, such legal action has resulted in judgments against such defendants invalidating all obligations under the applicable debt instruments. Such legal action has also resulted in judgments against defendants in excess of the amounts borrowed" and "Risk Factors — Risks Relating to the Notes and the Guarantees — Through the purchase of the Notes, the noteholders may be exposed to a legal system subject to considerable discretion and uncertainty; it may be difficult or impossible for noteholders to pursue claims under the Notes or the Guarantees".

Indonesian Regulation of Offshore Borrowings

Under Presidential Decree No. 59 of 1972 dated October 12, 1972 ("PD 59/1972"), as last amended by Presidential Decree 120 of 1998 dated August 12, 1998 ("PD 120/1998"), the Company is required to and, if any of the Guarantors receive proceeds from the offering of the Notes through intercompany loans, the Guarantors are also required to report particulars of their offshore borrowings to the Minister of Finance of Indonesia and Bank Indonesia, on the acceptance, implementation, and repayment of principal and interest. The Ministry of Finance Decree No. KEP 261/MK/IV/5/73 dated May 3, 1973, as amended by the Ministry of Finance Decree No. 417/KMK.013/1989 dated May 1, 1989 and the Ministry of Finance Decree No. 279/KMK.01/1991 dated March 18, 1991, as the implementing regulations of PD 59/1972 and PD 120/1998, further set forth the requirement to submit periodic reports to the Minister of Finance of Indonesia and Bank Indonesia on the effective date of the contract and each subsequent three-month period. In addition, under Presidential Decree No. 39 of 1991 dated September 4, 1991 ("PD 39/1991"), all offshore commercial borrowers must submit periodic reports to the Offshore Commercial Borrowings Team (*Tim Pinjaman Komersial Luar Negeri* or the "PKLN Team") upon the implementation of their offshore commercial borrowing. PD 39/1991 does not stipulate either the time frame or the format and the content of the periodic reports that must be submitted.

Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 dated December 31, 2014 on Reporting of Foreign Exchange Activity and Reporting of Application of Prudential Principles in relation to an Offshore Loan Management for Non-Bank Corporation ("PBI 16/22/2014"). PBI 16/22/2014 stipulates that banking institutions, non-bank financial institutions, non-financial institutions, state/regional-owned companies, private companies, business entities and individuals performing activities that cause a movement in financial assets and liabilities between an Indonesian citizen and non-Indonesian citizen, including the movement of offshore financial assets and liabilities between Indonesian citizens, must submit a foreign exchange activities report with respect to any foreign exchange activities to Bank Indonesia. The foreign exchange activities report is required to cover: (i) trade activities in goods, services and other transactions between residents and non-residents of Indonesia, (ii) the position and changes in the balance of foreign financial assets and/or foreign financial liabilities, and/or (iii) any plan to incur foreign debt and/or implementation of such plan. In addition, PBI 16/22/2014 requires any non-bank entity which applies prudential principles to submit reports which cover (i) the implementation prudential principles, which have complied with an attestation procedure; (ii) notification of compliance of credit ratings; (iii) financial statements; and (iv) an initial report on the implementation of prudential principles ("Implementation of Prudential Principles Report"). Bank Indonesia requires foreign exchange activities reports to be submitted monthly. The Implementation of Prudential Principles Report must be submitted quarterly, unless another submission deadline is required under PBI 16/22/2014. See "Exchange Rates and Exchange Controls — Indonesian Regulation of Offshore Borrowings" for further information on the reporting obligations under PBI 16/22/2014.

The reporting obligations under PBI 16/22/2014 were implemented under the Circular Letter of Bank Indonesia, as follows:

i. According to Bank Indonesia Circular No. 15/16/DInt dated April 29, 2013 on the Reporting of Foreign Exchange Activities in the Form of Offshore Loan Realization and Position, any person, legal entity or other entity domiciled in Indonesia, or planning to be domiciled in Indonesia, for at least one year that obtains offshore commercial borrowings in foreign currency and/or Rupiah (of any amount) pursuant to loan agreements, debt securities, trade credits and other debts, must submit reports to Bank Indonesia. The reports must consist of a "main data report" and the "monthly recapitulation data report". The main data report must be submitted to Bank Indonesia no later than the 15th day of the following month after the signing of the loan agreement or the issuance of the debt securities and/or the debt acknowledgment over the trade credits and/or other loans. Each monthly recapitulation data report must be submitted to Bank Indonesia no later than the 15th day of the following month. Such reports must be filed until the offshore commercial borrowing has been repaid in full. Any failure to submit the required reports will result in administrative sanctions in the form of fines, however, it will not invalidate obligations under the debt instrument itself.

ii. According to Bank Indonesia Circular No. 17/4/DSta dated March 6, 2015 on the Reporting of Foreign Exchange Activities on the Form of Offshore Loan, Plans and Amendment of Offshore Loans, an Indonesian company that intends to obtain a long-term offshore loans in a foreign currency and/or Rupiah is required to submit a report to Bank Indonesia no later than March 15 of each year in relation to such loans, including its annual offshore borrowing plans. In the event there is a change to the company's plan to obtain an offshore loan, an amendment to such report must be submitted to Bank Indonesia by no later than July 1 of the year of such change.

iii. Under Bank Indonesia Circular No. 17/26/DSta dated October 15, 2015 on the Reporting of Foreign Exchange Activities other than Offshore Loan, an Indonesian company engaged in foreign exchange activities other than offshore loans, which includes guarantees made by an Indonesian party in favor of an offshore party is required to submit monthly reports with respect to such foreign exchange activities (other than with respect to any borrowing of offshore loans) to Bank Indonesia no later than the 15th day of each month after the maturity date of the report period.

iv. According to Bank Indonesia Circular No. 17/3/DSta dated March 6, 2015 as amended by Bank Indonesia Circular No. 17/24/Dsta dated October 12, 2015 on the Reporting Application of Prudential Principles in relation to an Offshore Loan Management for Non-Bank Corporations, a non-bank corporation must submit the following reports: (i) the implementation of the prudential principles on a quarterly basis; (ii) a report regarding the implementation of the prudential principles that have undergone an attestation procedure no later than the end of June of each year; (iii) a report with respect to credit ratings no later than the end of following relevant month; and (iv) financial statements, consisting of quarterly financial statements (unaudited) to be submitted on a quarterly basis and annual financial statements (audited) to be submitted no later than the end of June of each year.

Any delay in submitting foreign exchange reports as mentioned above (other than the offshore plan report) is punishable by a daily fine of Rp500,000, subject to a maximum amount of Rp5,000,000. Furthermore, any failure to submit such foreign exchange report (other than the offshore plan report) is punishable by a fine of Rp10,000,000 per reporting period. Failure to submit the offshore plan report and the financial information report will also be subject to administrative sanctions in the form of warning letters and/or notices to the relevant authorities.

On December 29, 2014, Bank Indonesia issued Regulation No. 16/21/PBI/2014 on Implementation of Prudential Principles in Managing Offshore Loan of Non-Bank Corporations as lastly amended by Bank Indonesia Regulation No. 18/4/PBI/2016 issued on April 22, 2016 ("Prudential Principles on Offshore Loan Rule"), which applies to non-bank corporations that obtain offshore loans in foreign currencies. Further to Prudential Principles on Offshore Loan Rule, Bank Indonesia also issued Circular Letter No. 16/24/DKEM dated December 30, 2014 as amended by Circular Letter No. 17/18/DKEM dated June 30, 2015 and Circular Letter No. 18/6/DKEM dated

April 22, 2016 ("CL 16/24/2014"). Prudential Principles on Offshore Loan Rule requires non-bank corporations that have offshore loans in foreign currencies to fulfill three prudential principles: (i) hedging ratios, (ii) liquidity ratios and (iii) credit ratings.

The minimum hedging ratio for non-bank corporations that have offshore loans in foreign currency is set at 25% of (i) the "negative difference" between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter, and (ii) the "negative difference" between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter.

CL 16/24/2014 determines that only corporations that have "negative difference" of more than US$100,000 are obliged to fulfill the minimum hedging ratio. In addition, Prudential Principles on Offshore Loan Rule also requires that such hedging transactions shall be conducted only with banks in Indonesia with effect from 2017.

On the liquidity ratio requirement, non-bank corporations that have offshore loans in foreign currency are also required to comply with the minimum liquidity ratio of at least 70% liquidity by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter.

In addition, on the credit rating requirement, non-bank corporations that obtain offshore loans signed or issued after January 1, 2016 in a foreign currency must have a minimum credit rating of "BB-" for offshore borrowings issued by a rating agency recognized by Bank Indonesia. Such credit rating will be in the form of a rating over the relevant corporation and/or bonds. The obligation to have a minimum credit rating does not apply to offshore loans in foreign currency that are in the form of trade credit, which refers to debt arising from credit that is granted by offshore suppliers over transactions relating to goods and/or services. Exemptions from the requirement to satisfy the minimum credit rating are available for (i) the refinancing of offshore loans in foreign currency, (ii) offshore loans in foreign currency that finance infrastructure projects from (a) international bilateral/multilateral institutions and (b) syndicated loans with the contribution of international bilateral/ multilateral institutions exceeding 50%, (iii) offshore loans in foreign currency in relation to government (central and regional) infrastructure projects, (iv) offshore loans in foreign currency that are guaranteed by international bilateral/ multilateral institutions, (v) offshore loans in foreign currency in the form of trade credit, and (vi) offshore loans in foreign currency in the form of other loans (i.e., any other loan than loan agreements, debt securities and trade credit that are, among others, payments of insurance claims and unpaid), (vii) offshore loans in foreign currency of finance companies, provided that, when the Indonesian Financial Services Authority last determined the "soundness" level of the relevant finance company, the finance company had a minimum "soundness" level (*tingkat kesehatan*) and fulfilled the maximum gearing ratio as regulated by OJK, and (viii) offshore loans in foreign currency of the Indonesian Export Financing Institution.

Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on The Receipt of Foreign Exchange Proceeds from Export and Withdrawal of Foreign Exchange Offshore Loan ("PBI 16/10/2014") on May 14, 2014 as amended by Bank Indonesia Regulation No. 17/23/PBI/2015 dated December 28, 2015, as implemented by Bank Indonesia Circular No. 18/5/DSta dated April 6, 2016 on Withdrawal of Foreign Exchange Offshore Loan. Based on PBI 16/10/2014, every Indonesian debtor of an offshore loan must withdraw revenue from the loan through an Indonesian foreign exchange bank. The obligation applies to every loan that is derived from:

a. a non-revolving loan agreement that is not used for refinancing purposes;

b. the margin of a refinancing from the previous loan; and

c. debt securities in the form of bonds, medium term notes, floating rate notes, promissory notes, and commercial paper.

The accumulated amount from the offshore loan should be equal to the total commitment. If the accumulated amount of foreign exchange received from an offshore loan is less than the committed amount under the offshore loan, with a difference of up to Rp50,000,000, the revenue is deemed in accordance with the committed amount. If the difference is more than Rp50,000,000, the debtor must submit a written explanation and supporting documents to Bank Indonesia. An Indonesian debtor must report the withdrawal of revenue from the offshore loan to Bank Indonesia monthly using the "recapitulation data report" as regulated under PBI 16/10/2014, BI Circular No. 16/10/Dsta, and Bank Indonesia Circular No. 15/16/DInt of 2013. Every submission of a report must be supported with any document evidencing that the relevant offshore loan is withdrawn through an

Indonesian foreign exchange bank. Any Indonesian debtor failing to comply with the obligation may be subject to administrative sanctions in the form of fine of 0.25% of the amount of every withdrawal that is not withdrawn through an Indonesian foreign exchange bank, with maximum sanction of Rp50,000,000. PBI 16/10/2014 does not specifically require the foreign currency brought into Indonesia to be converted into Rupiah and kept in Indonesia for a specified period of time.

LANGUAGE OF TRANSACTION DOCUMENTS

Pursuant to Law No. 24 of 2009 on Flag, Language, Coat of Arms, and National Anthem that was enacted on July 9, 2009 ("Law No. 24/2009"), agreements to which Indonesian parties are a party are required to be executed in the Indonesian language, although, when a foreign entity is a party, a dual-language document in English or the national language of the relevant party is permitted. Article 31 of Law No. 24/2009 provides that (i) the Indonesian language must be used in a memorandum of understanding or an agreement which involves government agencies of the Republic of Indonesia, private entities or individuals of Indonesian nationality and (ii) with regard to a memorandum of understanding or an agreement referred to in (i) which involves a foreign party, the memorandum of understanding or agreement may also be made in the national language of such foreign party and/or in English. There exists substantial uncertainty on how Law No. 24/2009 will be interpreted and applied, and it is not certain that an Indonesian court would permit the English version to prevail or even consider the English version. See "Risk Factors — Risks Relating to Indonesia". The Trust Deed and other documents entered into in connection with the issuance of the Notes has been prepared in the Indonesian language. However, there can be no assurance, in the event of inconsistencies between the Indonesian language and English language version of those documents, an Indonesian court would hold that the English versions of such documents prevail. Further, a translation from English to Bahasa Indonesia may not accurately reflect the original intent of the parties.

On June 20, 2013, the District Court of West Jakarta released Decision No. 451/Pdt.G/2012/PN.Jkt.Bar (the "June 2013 Decision") which annulled a loan agreement between an Indonesian borrower, namely PT Bangun Karya Pratama Lestari as plaintiff, and a non-Indonesian lender, Nine AM Ltd. as defendant. The loan agreement was governed by Indonesian law and was drafted only in the English language. The court ruled that the agreement had contravened Article 31(1) of Law No. 24/2009 and declared it to be invalid. In arriving at this conclusion, the court relied on Articles 1320, 1335 and 1337 of the Indonesian Civil Code, which taken together render an agreement void if, inter alia, it is tainted by illegality. The court held that as the agreement had not been drafted in the Indonesian language, as required by Article 31(1), it therefore failed to satisfy the "lawful cause" requirement and was void from the outset, meaning that a valid and binding agreement had never existed. On May 7, 2014, the Jakarta High Court rejected the appeal submitted by Nine AM Ltd. and affirmed the June 2013 Decision in its entirety. In its judgment, the Jakarta High Court was of the opinion that the District Court of West Jakarta's judgment was correct and accurate. Further, in August 31, 2015, the Supreme Court again affirmed the lower court's decision. Indonesian court decisions are generally not binding precedents and do not constitute a source of law at any level of the judicial hierarchy, as would be typically be the case in common law jurisdictions such as the United States and the United Kingdom. However, there can be no assurance that a court will not, in the future, issue a similar decision to the June 2013 Decision in relation to the validity and enforceability of agreements that are made in the English language.

On July 7, 2014, the Government issued Government Regulation No. 57 of 2014 on Development and Protection of Language and Literature and Enhancement of the function of the Indonesian Language ("**GR 57/2014**") to implement certain provisions of Law No. 24/2009. While this regulation focuses on the promotion and protection of the Indonesian language and literature and is silent on the question of contractual language, it reiterates that contracts involving Indonesian parties must be executed in the Indonesian language (although versions in other languages are also permitted). As Law No. 24/2009 does not specify any sanctions for non-compliance, we cannot predict how the implementation of Law No. 24/2009 (including its implementing regulation) will impact the validity and enforceability of the Notes in Indonesia, which creates uncertainty as to the ability of Noteholders to enforce the Notes in Indonesia.

On January 15, 2014, Law No. 2 of 2014 on Amendment to the Law No. 30 of 2004 on Notary Profession ("Notary Law") was issued. Pursuant to the Notary Law, a notarial deed made after January 15, 2014 must be drawn up in the Indonesian language. If the parties require, the notarial deed can be made in a foreign language and in such an event, the notary must translate the deed into the Indonesian language. In the event of different interpretation as to the content of the foreign language deed, the Indonesian language deed shall prevail.

Except for the Indonesian deeds of corporate guarantee and deed of undertaking, which have been executed only in the Indonesian language with the English version attached to such deed as reference only, the Guarantors have executed dual English and Indonesian language versions of all transaction agreements to which they are party. All of these documents provide that in the event of a discrepancy or inconsistency, the parties intend the English version to prevail. Some concepts in the English language may not have a corresponding term in the Indonesian language and the exact meaning of the English text may not be fully captured by the Indonesian language version. If this occurs, there can be no assurance that the terms of the Notes, including the Trust Deed, will be as described in the Offering Circular, or will be interpreted and enforced by the Indonesian courts as intended.

FORWARD LOOKING STATEMENTS AND ASSOCIATED RISKS

This Offering Circular contains words such as "believe", "plan", "expect", "intend" and "anticipate" and similar expressions that constitute "forward-looking statements".

Such statements are subject to certain risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- the anticipated demand and selling prices for our developments and related capital expenditures and investments;
- our ability to be and remain competitive;
- our financial condition, business strategy, budgets and projected financial and operating data as well as the plans and objectives of management for future operations;
- generation of future receivables; and
- environmental compliance and remediation.

Such statements are subject to certain risks and uncertainties including:

- economic, social and political conditions in Indonesia;
- increases in regulatory burdens in Indonesia, including environmental regulations and compliance costs; and
- fluctuations in foreign currency exchange rates.

Should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to have been correct. Accordingly, prospective purchasers are cautioned not to place undue reliance on forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

SUMMARY

This summary highlights information contained elsewhere in this Offering Circular. This summary is qualified by, and must be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this Offering Circular. We urge you to read this entire Offering Circular carefully, including our consolidated financial statements and related notes and "Risk Factors".

OVERVIEW

We are one of the leading diversified property companies in Indonesia in terms of our market capitalization on the IDX, assets, revenue and net profit. We develop residential, commercial and retail properties, and light industrial areas throughout Indonesia, with the majority of our current developments based in and around five major cities in Indonesia: Jakarta, Medan, Palembang, Makassar and Manado. In addition, as of June 30, 2016, we operated 23 hospitals. As of June 30, 2016, we also owned three and leased two Aryaduta-branded hotels, had three hotels under development, managed four hotel properties owned by third parties under the Aryaduta brand, provided a broad range of infrastructure services to the residents of our developments, and provided other property management and REIT management services. In the six months ended June 30, 2016, our total revenues were Rp5,108.9 billion (US$387.6 million) and our EBITDA was Rp1,199.0 billion (US$91.0 million). In 2015, our total revenues were Rp8,910.2 billion (US$676.0 million) and our EBITDA was Rp2,222.7 billion (US$168.6 million). Our market capitalization as of October 17, 2016 was Rp21,347 billion (US$1,620 million) based on the closing price per ordinary share on the IDX of Rp925 per share as of October 17, 2016.

For the six months ended June 30, 2016, 62.1% of our revenues were derived from recurring income (including revenues from the operation of our healthcare, hospitality and infrastructure business units and fees earned by our property and portfolio management business unit), and 37.9% of our revenues were derived from development income (including the development and sale of residential, commercial and retail and light industrial properties).

Our first project, which commenced construction in January 1993, was the urban development "Lippo Karawaci", in the regency of Tangerang, approximately 30 kilometers west of, and accessible by a toll road from, central Jakarta. Renamed "Lippo Village", the development was designed as a self-contained "Edge City" beyond the boundaries of Jakarta. Lippo Village has since evolved into a modern and integrated city with extensive infrastructure facilities, offering a potable water and sewage reticulation and treatment system (which is unique in Indonesia), firefighting, security, road and drainage construction and maintenance and traffic management services, the provision of electricity, telephone and broadband internet and all aspects of home care and building management. As of June 30, 2016, Lippo Village had a population of approximately 59,405 residents and provided approximately 48,664 jobs.

Through our two significant publicly-listed subsidiaries, PT Lippo Cikarang Tbk. and GMTD, of which we own 54.4% and 54.0%, respectively, we have developed and currently operate urban developments at "Lippo Cikarang" in Bekasi and "Tanjung Bunga" in Makassar, respectively. These subsidiaries were listed on the IDX on July 24, 1997 and December 11, 2000, respectively. Lippo Cikarang was launched in October 1993 and Tanjung Bunga in June 1997.

Our operations are organized into six business units:

- *Urban Development*, which includes the development and sale of residential, commercial, light industrial properties and memorial parks, all of which are on landed properties. We are internationally recognized and have won awards for our pioneering development of "Edge Cities" in Indonesia. "Edge Cities" are designed and constructed with all necessary infrastructure to establish self-contained urban communities beyond the boundaries of larger cities. As of June 30, 2016, our three urban developments, Lippo Village, Lippo Cikarang and Tanjung Bunga, had a combined population of approximately 124,468 residents and 36,188 houses and employed more than 545,909 workers. For each of our urban developments, we identified large tracts of undeveloped land which were in close proximity to larger cities, offering significant appreciation potential at a relatively inexpensive cost. Urban development accounted for approximately 22.8% of our total revenues and had EBITDA of Rp309.7 billion (US$23.5 million) for the six months ended June 30, 2016, a decrease from Rp454.5 billion for the six months ended June 30, 2015.

- *Large Scale Integrated Development*, which includes the large scale development and sale of residential properties, office space and retail, hospitality, leisure, education and healthcare facilities, typically on a high-rise basis, together in one location. We are currently developing 10 large scale integrated developments containing residential properties, office space and entertainment, education and healthcare facilities within the same location — Kemang Village in South Jakarta, The St. Moritz in West Jakarta, Embarcadero Park in Tangerang, The St. Moritz Makassar in Makassar, The Holland Village in Jakarta in Central Jakarta, The Holland Village in Manado, Orange County, Millennium Village and Nine Residences @ Kemang Utara in South Jakarta and Lippo Thamrin in Central Jakarta. We have already developed the City of Tomorrow, our first large scale integrated development in Surabaya. Large scale integrated development accounted for approximately 11.9% of our total revenues and had EBITDA of Rp228.8 billion (US$17.4 million) for the six months ended June 30, 2016, a decrease from Rp367.7 billion for the six months ended June 30, 2015.

- *Retail Malls*, which includes the development and ownership of malls. As of June 30, 2016, we had completed nine leased malls and eight strata-titled malls with a total gross floor area of 1,307,246 square meters. In May 2016, we opened Lippo Plaza Jambi in Jambi with a total gross floor area of 21,178 square meters. In June 2015 we opened Lippo Plaza Jogja in Yogyakarta with a total gross floor area of 63,865 square meters and in June 2014 we opened Lippo Mall Puri, West Jakarta 389,551 square meters. Retail malls accounted for approximately 3.2% of our total revenues and had EBITDA of Rp109.6 billion (US$8.3 million) for the six months ended June 30, 2016, an increase from Rp55.9 billion for the six months ended June 30, 2015.

- *Healthcare*, which includes the operation of hospitals and medical facilities. As of June 30, 2016, we operated 23 hospitals. Eight of these hospitals are located in Greater Jakarta and the other 15 are located in Surabaya, Balikpapan, Purwakarta, Jambi, Manado, Makassar, Palembang, Bali, Medan, Kupang, Labuan Bajo, Buton dan Samarinda. As of June 30, 2016, 12 of the hospitals are owned by First REIT and leased to us. In 2014, we opened two new hospitals, which we operate, in Medan and Kupang, and acquired one hospital in South Jakarta. In the first half of 2016, we opened two new hospitals, located in Buton and Samarinda, and we expect to open an additional three hospitals by the end of 2016. Our medical facilities offer a comprehensive range of specialist medical services, including surgical procedures, as well as laboratory services, radiology and imaging facilities, general healthcare services and diagnostic and emergency services. As of June 30, 2016, our hospitals had a combined capacity of 2,769 operational beds. In September 2013, our wholly-owned subsidiary, PT Siloam International Hospitals Tbk, which operates our healthcare business unit, completed its initial public offering on the IDX. Since the IPO, we have sold shares in PT Siloam International Hospitals Tbk and may continue to do so in the future. Further, PT Siloam International Hospitals Tbk may also, from time to time, conduct fund raising or obtain financing for the expansion of its group business, including through corporate action(s) which will be conducted in accordance with prevailing laws and regulations. In any case, upon such sale, fund raising and/or financing, we will remain as the majority controlling shareholder of PT Siloam International Hospitals Tbk. Healthcare accounted for approximately 50.0% of our total revenues and had EBITDA of Rp335.0 billion (US$25.4 million) for the six months ended June 30, 2016, an increase from Rp301.1 billion for the six months ended June 30, 2015.

- *Hospitality and Infrastructure*, which includes the ownership, lease and operation of hotel properties, restaurants and recreational facilities and other related infrastructure in multiple locations throughout Indonesia. In addition, we provide town management services such as security, water and sewage treatment, garbage collection, landscaping, roads and drainage maintenance and public transportation services to the residents of our urban developments. Our hotel operations are offered under the "Aryaduta" brand, one of Indonesia's largest five-star hotel groups by number of rooms. We currently own three and lease two Aryaduta-branded hotels, in addition to another three hotels under development. Hospitality and infrastructure accounted for approximately 8.4% of our total revenues and had EBITDA of Rp145.6 billion (US$11.0 million) for the six months ended June 30, 2016, an increase from Rp124.0 billion for the six months ended June 30, 2015.

- *Property and Portfolio Management*, which includes REIT management and property management services for malls and hotel operators. We currently manage First REIT (through our wholly owned subsidiary, Bowsprit Capital Corp. Ltd) and LMIRT, and receive fee-based income for the management of these REITs. We also manage four Aryaduta-branded hotels owned by third parties. We originally managed LMIRT through a joint venture with Mapletree. In 2011, we acquired Mapletree's 40% stake in the management company, providing us with 100% ownership in the management company of LMIRT. In addition, we act as property manager for 44 malls with 18,959 shops, with a total gross leasable area of nearly 2.7 million square meters and net leasable area of 1.4 million square meters. Property and portfolio management accounted for approximately 3.7% of our total revenues and had EBITDA of Rp70.3 billion (US$5.3 million) for the six months ended June 30, 2016, an increase from Rp58.1 billion for the six months ended June 30, 2015.

COMPETITIVE STRENGTHS

We believe that our principal competitive strengths include:

Leadership among broad based property companies in Indonesia

We are one of the leading broad based property companies in Indonesia in terms of our market capitalization on the IDX, assets, revenue and net profit. Our operations are organized into six broad business units, with operations located in multiple locations in Indonesia, providing us with diversity and operating presence in several rapidly developing areas, in particular Jakarta. Our efforts and contributions to the real estate sector in Indonesia have been recognized by the industry through several awards, including the Real Estate Award by Euromoney — "Best Developer in Indonesia" for 2012, 2011, 2009, 2008, 2007 and 2005. We were also awarded the "Best Developer in Indonesia" award by the South East Asia Property Awards for 2013, 2012 and 2011. In 2015, we were also named "Indonesia Excellence in Growth — Property Development" and "Property Developer of the Year" and were "Highly Commended" at the Asia Pacific Property Awards from International Property Media.

We believe that the size and diversity of our business units and our track record of success provide us with a stable platform to grow our businesses and allow us to pursue large scale, high profile development opportunities. We also believe that it enables us to benefit from economies of scale in negotiating with key material suppliers for favorable cost components and volume discounts. We believe the diversity of our products also provides us with significant channels for cross-selling across our business units. It also helps us to successfully mitigate the adverse impact of the cyclical nature of our business units on our profitability and cash flows. We have used our brand name to bolster our marketing initiatives across our business units.

Large and high-quality landbank, particularly around Jakarta

We believe that our landbank of approximately 1,549 hectares as of June 30, 2016 is among the largest held by Indonesian property companies and serves as a platform for the expansion of our existing and future development projects. We anticipate that our landbank will be sufficient for our planned development projects for the next ten years. We acquired portions of our landbank in individual parcels over a period of time and continue to develop our landbank assets when market and pricing conditions are favorable, which allows us to competitively price our development projects and pursue our targeted profit margins. Our policy is to maintain a landbank sufficient for ten years of future development, subject to price, availability and quality. In addition, our operations are located within some of the most developed regions in Indonesia. Our significant presence in the property market in Greater Jakarta, one of the fastest growing regions in Indonesia, reflects our belief that this area offers high consumer demand which is currently underserved.

High proportion of stable recurring revenues

We believe that the recurring revenues generated by several of our business units, particularly healthcare, provide us with an advantage over our competitors who are not as diversified and thus subject to greater fluctuation in revenue from the cyclical nature of the property market. Our total recurring revenue for the years ended December 31, 2015, 2014 and 2013 were 59.1%, 37.5% and 51.9%, respectively, of our total revenues. Our total recurring revenue for the six months ended June 30, 2016 was 62.1% of our total revenues. We plan to continue with our strategy to grow recurring revenue, both on an absolute basis and as a percentage of total revenue, as we believe that the significant recurring revenue component of our total revenues assists us to mitigate the cyclical nature of our development business units and enables us to be resilient during economic downturns. In particular, we believe our healthcare business unit differentiates us from our competitors by providing a stable source of income. In the past, we have maintained our recurring revenues as a significant component of total revenues, and are planning in the future to expand our recurring income business units by developing more hospitals and retail and commercial properties on a leasehold basis, thereby strengthening our recurring income streams.

Track record of recycling capital

In December 2006, we sponsored the establishment of First REIT, the first real estate investment trust on the Singapore Stock Exchange to own Indonesian assets as well as the first healthcare real estate investment trust listed on the Singapore Stock Exchange. In 2007, we also sponsored the establishment of LMIRT, a REIT which holds retail assets in Indonesia that is also listed on the Singapore Stock Exchange. In November 2012, we completed the sale and lease-back of two of our hospitals, Siloam Hospitals Makassar and Siloam Hospitals Manado, and one of our hotels, Hotel Aryaduta Manado for a total of approximately S$142.9 million to First REIT. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for an aggregate consideration of Rp731 billion and Rp148 billion, respectively. In May 2013, we completed a sale and leaseback of Siloam Hospitals Denpasar and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million. In December 2014, we completed a sale of Lippo Mall Kemang for a total consideration of S$362 million. Further, we are finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and we are in advanced discussions with LMIRT and First REIT with respect to the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja. We are the first Indonesian developer to utilize such vehicles, which allows us to unlock value from stabilized assets, recycle capital, earn management fees and deploy proceeds from selling assets to the REITs to invest in new opportunities.

Strong financial position

We actively manage our working capital requirements by pre-selling our developments, particularly in our urban development and large scale integrated development business units, which enables us to fund our construction costs without significant third-party financing. As of June 30, 2016, we had pre-sold over 99% of Phase I and Phase II of our Kemang Village development and 95% of Phase I and Phase II of our The St. Moritz development, respectively. In addition, as of June 30, 2016, we had pre-sold 86% of our developments launched in 2014 and 2015, including 100% of our Irvine + Westwood development; 100% of our Pasadena Suites Burbank, Orange County development; 84% of our Holland Village, Manado development and 67% of our Monaco Bay, Manado development. We also recycle capital through the selling of assets to the REITs to allow us to invest in new opportunities.

Experienced management team

We have a highly experienced management team with deep industry knowledge across our business units. The 16 members of our board of directors and senior management team have an average of approximately 25 years of experience in the property industry. Together they form a talented and experienced leadership team. We believe that our management team follows a prudent approach in order to implement a balanced growth strategy. Most of our senior management team have worked together for more than five years.

STRATEGY

Through our six diverse business units, we endeavor to meet the needs of Indonesia's growing segment of middle and upper-middle class consumers in housing, healthcare, recreation and entertainment. By drawing on our competitive strengths, we believe we have developed clear and focused strategies for our urban, commercial, retail, and light industrial developments as well as our healthcare, hospitality and infrastructure and property management activities to achieve consistent and sustainable growth and to expand our recurring revenue base through all of our business units. We also strive to optimize the value of our assets through active asset management and capital recycling. We seek to manage our balance sheet prudently by only expanding in growth markets and diversifying our business where appropriate.

Our strategy includes the following:

Grow our business units organically

We strive to grow each of our business units organically and to foster marketing synergies among these segments. We believe we are well positioned to benefit from the increasing demand of the young and growing middle-upper income population in the housing, healthcare and retail sectors and GDP growth in Indonesia.

In particular, for each of our business units, we are focused on the following strategies:

- *Urban Development* — In addition to continuing to expand our existing urban developments, we intend to focus on acquiring small land parcels in strategic locations to develop smaller, targeted residential areas and developing apartments and condominiums in urban areas targeted at the growing and increasingly wealthy middle to upper-middle class in Indonesia. Our policy has been to acquire undeveloped land in Indonesia with the potential for economic and population growth. As of June 30, 2016, approximately 78% (by area) of our landbank is located in Greater Jakarta, one of Indonesia's fastest growing regions. We also plan to develop commercial and retail developments (including office buildings) in strategic locations within Indonesia, which we believe exhibit strong retail growth potential and are underserved by existing developments as well as high-rise strata title mixed use projects, including residential apartments, retail malls and office buildings, which we believe will improve our land utilization rate without having to acquire significant additional landbank in the near future. From time to time, we consider selling land as land prices rise to exploit favorable market conditions, such as our 2011 increased sales of industrial land at Lippo Cikarang.

- *Large Scale Integrated Developments* — We are focused on the completion of the Kemang Village and The St. Moritz developments. Further, we will seek to exploit our product diversity by incorporating a number of products from our other business units into our large scale integrated developments.

- *Retail Malls* — We intend to strengthen our retail malls segment through building and operating more malls. Given the strong consumption-driven growth Indonesia has recently experienced, we are looking to capitalize on the growing retail market through our expansion, and hope to increase our market share in the retail mall space by broadening our mall portfolio nationwide. Further, we aim to improve profitability from our existing leased malls by improving our tenant mix and rental margins. We will also focus on completing projects under development and intend to sell our retail mall developments to LMIRT once the assets are stabilized.

- *Healthcare* — We plan to expand our healthcare network by opening 14 additional hospitals in strategic locations within Indonesia in 2016 and 2017. We currently have 25 hospitals in development or under construction, three of which are expected to be completed in 2016, 11 of which are expected to be completed in 2017 and the remaining 11 hospitals are expected to be completed between 2018 and 2021. The supply of hospital services in Indonesia is currently unable to meet the demand of the country's population of approximately 250 million people. We aim to further penetrate this underserved market and, through our expansion, increase the availability of quality healthcare to a significant portion of the Indonesian population. We aim to broaden our target market to include the growing middle and lower-middle classes. We intend to continue providing quality healthcare services at international standards with advanced equipment and telemedicine and strong doctor relationships. We intend to intensify our marketing efforts to promote our "Siloam Hospitals" brand name. In addition to providing greater services to the traditionally underserved Indonesian healthcare market generally, we believe the high quality services and specialty treatments in our Siloam Hospitals will attract a portion of the significant number of Indonesians who regularly seek similar specialist treatments in other countries. For example, in the third quarter of 2011 we opened MRCCC, one of Indonesia's first comprehensive cancer centers, which provides specialist services previously unavailable in Indonesia. We are also exploring the possibility of expanding outside of Indonesia. In 2015 we entered into a joint venture agreement with First Myanmar Investment Co. Ltd, whereby we own 40% of the joint venture entity, with respect to the development of a hospital in Myanmar. The total proposed investment value for this joint venture is estimated at US$80,000,000 over seven years.

- *Hospitality and Infrastructure* — We intend to strengthen our branding efforts and intensify our marketing efforts and incentives to business travelers to increase occupancy rates and income from meetings, conventions and exhibitions in each of our hotel properties. We will also continue to explore new opportunities to develop hotel properties within Indonesia. We also plan to continue to develop this business unit's leading reputation for providing high quality town management services by ensuring consistency of services across all of our developments to enhance and improve the living environments of our residents.

- *Property and Portfolio Management* — We plan to continue growing our fee-based income arising from managing an enlarged portfolio of malls and hotels developed by ourselves as well as from managing the REITs.

Prudent balance sheet management

We strive to maintain an appropriate level of leverage and a strong cash position to increase our ability to respond quickly and competitively to investment or development opportunities. In addition, we have available credit facilities which may be utilized to fund growth and expansion.

Our recurring income stream can be utilized to finance our development projects, thereby reducing our reliance on external funding. In addition, our recurring revenues reduce the volatility of our overall income stream inherent in the property development business.

We intend to also recycle capital through our strategy of asset divestment. By undertaking sale and leaseback transactions involving certain of our hospital assets with First REIT and selling certain of our retail assets to LMIRT, we expect to optimize capital usage and the value of our assets. We will then be in a position to utilize sale proceeds to finance future projects. As of June 30, 2016, 12 of the hospitals we operate are owned by First REIT and leased back to us. In November 2012, we completed the sale and lease-back of Hotel Aryaduta Manado, Siloam Hospitals Makassar and Siloam Hospitals Manado with First REIT. The term of the lease is for 15 years, with an option to renew for a further terms of 15 years. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for an aggregate consideration of Rp731 billion and Rp148 billion, respectively. In May 2013, we sold Siloam Hospitals Denpasar and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million. In December 2014, we sold Lippo Mall Kemang to LMIRT for a total consideration of S$362 million. Further, we are finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and we are in advanced discussions with LMIRT and First REIT with respect to the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja.

Continue growth in recurring revenues

We intend to continue growing our recurring revenues to reduce the volatility of our overall income stream inherent in the property development business. In particular, we plan to develop retail and commercial projects on a leasehold basis through which we will receive rental income, as well as expand our hospital and property management portfolio. Our growing recurring revenue as a percentage of total revenue as well as on an absolute basis remains a key focus and differentiating competitive advantage of the Group.

Optimize corporate and capital structure

We intend to explore options to optimize our corporate and capital structure in the future, which may include, among other things, the public listing of, or private sales of minority interests in, one or more of our subsidiaries, including those that generate recurring revenue. In September 2013, our subsidiary, PT Siloam International Hospitals Tbk, which operates our healthcare business unit, completed its initial public offering on the IDX. We currently operate and manage six main business units, all of which are owned by us. For operating efficiency, accounting, financing and taxation purposes, we may restructure the ownership and operation of some or all these business units through our current or future subsidiary companies, and further explore the potential public listing of, or private sales of minority interests in, such subsidiaries.

CORPORATE INFORMATION

Our head office is located at 22nd Floor Manara Matahari, 7 Boulevard Palem Raya, Lippo Karawaci Central, Tangerang 15811, Indonesia. Our telephone number is +62 21 2566 9000.

SUMMARY OF THE OFFERING

The following is a general summary of the terms of the Notes and does not purport to be complete. This summary is derived from, is qualified in its entirety by reference to, and should be read in conjunction with the full text of the terms and conditions of the Notes and the Trust Deed relating to the Notes. The terms and conditions of the Notes and the Trust Deed prevail to the extent of any inconsistency with the terms set out in this section.

Issuer	Theta Capital Pte. Ltd.
Guarantors	PT Lippo Karawaci Tbk., PT Sentra Dwimandiri, PT Wisma Jatim Propertindo, PT Megapratama Karya Persada and PT Primakreasi Propertindo (PT Sentra Dwimandiri, PT Wisma Jatim Propertindo, PT Megapratama Karya Persada and PT Primakreasi Propertindo, together the "Subsidiary Guarantors").
Issue	US$425,000,000 aggregate principal amount 6.75% Senior Notes due 2026.
Issue Price	100.0%.
Issue Date	October 31, 2016.
Maturity Date	October 31, 2026.
Rate of Interest	6.75% per annum.
Interest Payment Dates	Interest will be payable semi-annually in arrear on April 30 and October 31 of each year, commencing April 30, 2017.
Form and Denomination of Notes	The Notes will be issued in registered form in the denomination of US$200,000 each and integral multiples of US$1,000 in excess thereof. The Notes will be represented by the Global Certificate, which will be registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg, on or about the Issue Date. The purchase, sale and transfer of the Notes may only be effected through accounts at Euroclear and Clearstream, Luxembourg. The Global Certificate will be exchangeable for definitive Notes in the denomination of US$200,000 each or integral multiples of US$1,000 excess thereof in the limited circumstances set out in it. See "Summary of Provisions Relating to the Notes While in Global Form".
Guarantees	The Company and certain of its subsidiaries will unconditionally and irrevocably guarantee (the "Parent Guarantee" and the "Subsidiary Guarantees", respectively, and collectively, the "Guarantees") the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.
Ranking	The Notes will be unsecured and will be the direct, unconditional and unsubordinated obligations of the Issuer. The Guarantees will be the direct, unconditional, unsubordinated and unsecured obligation of each of the

	Guarantors. The Notes will rank at least *pari passu* with all existing and future unsecured obligations of the Issuer. The Guarantees will rank at least *pari passu* with all existing and future unsubordinated and unsecured obligations of each of the Guarantors.
Taxation	All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or Indonesia (or certain other jurisdictions) or any authority therein or thereof having power to tax or, unless such withholding or deduction is required by law. In that event, we shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except in circumstances specified in "Terms and Conditions of the Notes — Taxation".
Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, the Issuer may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption, if, as a result of certain changes in tax law, the Issuer or the Company (as the case may be) would be required to pay certain additional amounts; provided that were the additional amounts payable as a result of changes affecting Indonesian taxes, the Notes may be redeemed only in the event that the withholding rate exceeds 20%.
Redemption at the Option of the Issuer	The Notes may be redeemed, in whole or in part, at the option of the Issuer at any time on or after October 31, 2021 at the redemption prices set forth in the Conditions together with accrued interest to the redemption date. At any time prior to October 31, 2021, the Issuer may at its option redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium (as defined herein) and accrued and unpaid interest, if any, to the redemption date. At any time prior to October 31, 2019, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with proceeds from certain equity offerings at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Redemption upon a Change of Control Triggering Event	Unless the Notes are previously redeemed, repurchased and canceled, the Issuer will, no later than 30 days following a Change of Control Triggering Event (as defined in the Conditions) make an Offer to Purchase (as defined in the Conditions) all outstanding Notes at a purchase price equal to 101.0% of their principal amount together with accrued and unpaid interest, if any, to the Offer to Purchase Payment Date (as defined in the Conditions).
Certain Covenants	The Issuer and each of the Guarantors have agreed in the Trust Deed constituting the Notes and the Conditions related thereto to observe certain covenants, including, among other things, incurrence of additional debt; grant of security interest; payment of dividends; mergers, acquisitions and disposals; and certain other covenants. See "Terms and Conditions of the Notes".
Events of Default	Certain events will permit acceleration of the principal of the Notes (together with all interest and additional amounts accrued and unpaid thereon). These events include default with respect to the payment of principal of, premium, if any, or interest on, the Notes. See "Terms and Conditions of the Notes — Events of Default".
Use of Proceeds	The Issuer will contribute the net proceeds of the offering to Kemang by way of subscription of additional shares in the capital of, and/or shareholder loan to, Kemang. The net proceeds of the contribution to Kemang will be used to fund our corporate purposes by granting an intercompany loan (the "Intercompany Loan") or through other funding methods to the Company and/or the Subsidiary Guarantors. Any Intercompany Loan would be subordinated in right of payment to the Guarantees. The Issuer intends to use the net proceeds to redeem its 2020 Notes.
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in, among others, the United States, the United Kingdom, Hong Kong, Singapore and Indonesia. For a description of the selling restrictions on offers, sales and deliveries of the Notes, see "Subscription and Sale".
Listing and Trading	The Company has obtained approval-in-principle for the listing of the Notes on the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 for so long as the Notes are listed on the SGX-ST.
Identification Numbers	ISIN: XS1506085114; Common Code: 150608511.
Trustee	DB Trustees (Hong Kong) Limited.
Principal Paying Agent and Transfer Agent	Deutsche Bank AG, Hong Kong Branch.

Registrar	Deutsche Bank AG, Hong Kong Branch.
Governing Law	The Notes, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection therewith will be governed by, and construed in accordance with, the laws of England.
Ratings	The Notes are expected to be rated "Ba3" by Moody's, "BB-" by Fitch and "B+" by Standard & Poor's. The credit ratings accorded the Notes are not a recommendation to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. See "Risk Factors — Risks Relating to the Notes and the Guarantees — The ratings assigned to the Notes may be lowered or withdrawn entirely in the future".
Risk Factors	Investment in the Notes involves risks which are described in the "Risk Factors" section of this Offering Circular.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

You should read the summary consolidated financial information presented below in conjunction with our consolidated financial statements and the notes to these financial statements included in this Offering Circular.

The following tables present our summary consolidated financial information and operating data as of the dates and for each of the years and periods indicated. We have derived the summary consolidated statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013 and 2014 and our summary consolidated financial position data as of December 31, 2013 and 2014 in the tables below from our historical financial statements, which have been audited by Aryanto, Amir Jusuf, Mawar & Saptoto (a member firm of the RSM network), independent auditors, who have issued an unqualified opinion with respect to their audit. We have derived the summary consolidated statements of comprehensive income and cash flows and other financial data for the year ended December 31, 2015 and the six months ended June 30, 2015 and 2016 and our summary consolidated financial position data as of December 31, 2015 and June 30, 2016 presented in the tables below from our historical financial statements, which have been audited and reviewed, respectively, by Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member firm of the RSM network), independent auditors. The historical results presented below are not necessarily indicative of the results that may be expected for the year ended December 31, 2016 or any future period. Further, our results for the six months ended June 30, 2015 and 2016 should not be considered indicative of the actual results we may achieve in any other period or in the year ended December 31, 2016. Our financial statements have been prepared and presented in accordance with Indonesian FAS, which differs in certain material respects from IFRS, see "Summary of Certain Differences between Indonesian FAS and IFRS".

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
	Rp	**Rp**	**Rp**	**US$**	**Rp**	**Rp**	**US$**
	(Rp in billions and US$ in millions)						
STATEMENT OF COMPREHENSIVE INCOME DATA							
REVENUES	6,666.2	11,655.0	8,910.2	676.0	4,681.0	5,108.9	387.6
Final Tax Expenses[1]	(168.0)	(372.4)	(206.5)	(15.7)	(119.7)	(115.9)	(8.8)
NET REVENUES	**6,498.2**	**11,282.6**	**8,703.7**	**660.4**	**4,561.3**	**4,992.9**	**378.8**
COST OF REVENUES	(3,619.6)	(6,257.7)	(4,791.7)	(363.6)	(2,493.2)	(2,822.3)	(214.1)
GROSS PROFIT	**2,878.6**	**5,024.9**	**3,912.0**	**296.8**	**2,068.1**	**2,170.7**	**164.7**
Operating Expenses	(1,516.8)	(2,119.2)	(2,391.1)	(181.4)	(1,047.3)	(1,325.1)	(100.5)
Other Income	585.1	595.4	240.0	18.2	185.5	268.7	20.4
Other Expenses	(154.5)	(63.5)	(270.6)	(20.5)	(35.3)	(107.1)	(8.1)
PROFIT FROM OPERATIONS	**1,792.4**	**3,437.8**	**1,490.3**	**113.1**	**1,171.0**	**1,007.2**	**76.4**
Financial Charges — Net	(26.7)	(122.1)	(177.0)	(13.4)	(54.1)	(158.5)	(12.0)
Loss from sale of available assets for sale	—	—	(15.4)	(1.2)	—	—	—
Share in the Profit (Loss) of Associates and Joint Venture	8.5	8.2	(13.1)	(1.0)	5.2	4.5	0.3
PROFIT BEFORE TAX	**1,774.2**	**3,324.0**	**1,284.8**	**97.5**	**1,122.1**	**853.1**	**64.7**
Tax Expenses[1]	(162.2)	(184.0)	(260.7)	(19.8)	(136.6)	(135.6)	(10.3)
PROFIT FOR THE PERIOD	**1,612.0**	**3,140.0**	**1,024.1**	**77.7**	**985.5**	**717.5**	**54.4**
OTHER COMPREHENSIVE INCOME							
Other Comprehensive Income Items that will not be Reclassified Subsequently to Profit or Loss:							
Loss from Remeasurement of Defined Benefits Plan	(38.6)	(19.0)	(8.9)	(0.7)	63.2	22.4	1.7
Portion of Remeasurement of Defined Benefit Plan of Associates	—	—	(1.2)	(0.0)	—	—	—
Income Tax Related to Items that will not be Reclassified Subsequently to Profit or Loss:	10.0	6.1	(4.5)	(0.3)	(14.5)	(1.2)	(0.1)
Other Comprehensive Income Items that will be Reclassified Subsequently to Profit or Loss:							
Gain (Loss) from Translations of Financial Statements	551.9	117.5	(244.6)	(18.6)	(134.9)	(58.3)	(4.4)
Gain (Loss) on Remeasurement in Fair Value of Available-for-Sale Financial Assets	(468.3)	(255.8)	(132.6)	(10.1)	823.7	433.4	32.9
Reclassified Adjustment on Loss Available-for-Sale Financial Assets in Profit and Loss	—	—	(15.4)	(1.2)	(15.4)	—	—
Income Tax Related to Items that will be Reclassified Subsequently to Profit or Loss	—	—	0.0	0.0	—	—	—
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	55.0	(151.3)	(407.2)	(30.9)	722.1	396.2	30.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,667.0	2,988.6	616.9	46.8	1,707.5	1,113.7	84.5
Profit for the Period Attributable to:							
Owner of the Parent	1,247.2	2,556.2	535.4	40.6	701.5	495.9	37.6
Non-Controlling Interests	364.8	583.7	488.7	37.1	284.0	221.6	16.8
Total Comprehensive Income for the Period Attributable to:							
Owner of the Parent	1,295.2	2,408.6	148.5	11.3	1,411.8	855.4	64.9
Non-Controlling Interests	371.8	580.0	468.4	35.6	295.7	258.3	19.6
Total	**1,667.0**	**2,988.6**	**616.9**	**46.8**	**1,707.5**	**1,113.7**	**84.5**

(1) *With effect from January 1, 2015, in connection with the adoption of PSAK No. 46, we reclassified final tax as part of our revenue for the period, whereby final tax is deducted directly from revenues for the period (rather than profit before tax). Prior to January 1, 2015, both final tax and progressive tax were classified within tax expenses (and deducted from profit before tax). Final tax for the years ended December 31, 2013, 2014 and 2015, amounted to Rp168.0 billion, Rp372.4 billion and Rp206.5 billion (US$15.6 million), respectively.*

	As of December 31,				As of June 30,	
	2013(1)	2014(1)	2015(1)	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	US$
	(Rp in billions and US$ in millions)					
FINANCIAL POSITION DATA ASSETS						
Current Assets						
Cash and Cash Equivalents	1,855.1	3,582.6	1,839.4	139.6	1,773.4	134.6
Trade Accounts Receivable:						
Third Parties	769.2	947.6	1,424.2	108.1	1,787.7	135.6
Related Parties	2.4	3.5	10.1	0.8	7.2	0.5
Available-for-Sale Financial Assets	5,110.0	5,503.0	5,869.1	222.2	6,344.7	481.4
Other Current Financial Assets	1,668.5	2,607.7	2,928.1	445.3	2,430.5	184.4
Inventories	13,894.0	16,579.2	20,459.0	1,552.3	21,508.9	1,631.9
Prepaid Taxes	576.1	621.5	817.4	62.0	844.7	64.1
Prepaid Expenses	137.9	196.9	229.7	17.4	279.8	21.2
Total Current Assets	**24,013.1**	**30,042.0**	**33,576.9**	**2,547.6**	**34,976.9**	**2,653.8**
Non-Current Assets						
Due from Related Parties Non-Trade	9.7	14.8	37.1	2.8	31.7	2.4
Other Non-Current Financial Assets	518.8	619.9	754.2	57.2	790.5	60.0
Investments in Associates	130.4	123.3	153.8	11.7	157.3	11.9
Investments in Joint Venture	—	—	231.4	17.6	228.0	17.3
Investment Property	306.4	310.3	417.0	31.6	420.4	31.9
Property and Equipment	2,810.9	3,208.8	2,731.5	207.2	2,868.3	217.6
Intangible Assets	337.5	528.3	534.9	40.6	541.9	41.1
Deferred Tax Assets	52.7	63.9	47.0	3.6	55.1	4.2
Advances	1,456.4	1,709.9	1,429.9	108.5	1,438.6	109.1
Land for Development	1,611.4	1,136.2	1,369.7	103.9	1,403.4	106.5
Other Non-Current Non-Financial Assets	61.0	99.0	43.1	3.3	76.5	5.8
Total Non-Current Assets	**7,295.2**	**7,814.4**	**7,749.6**	**588.0**	**8,011.6**	**607.9**
TOTAL ASSETS	**31,308.4**	**37,856.4**	**41,326.6**	**3,135.6**	**42,988.4**	**3,261.6**
LIABILITIES AND EQUITY LIABILITIES						
Current Liabilities						
Trade Accounts Payable — Third Parties	397.7	404.2	782.9	59.4	1,191.0	90.4
Accrued Expenses	557.3	1,129.9	1,006.5	76.4	1,067.9	81.0
Taxes Payable	253.6	648.2	229.0	17.4	275.9	20.9
Short-Term Employment Benefits Liabilities	13.3	18.4	12.2	0.9	11.6	0.9
Short-Term Bank Loans	4.9	173.5	962.2	73.0	1,612.9	122.4
Current Portion of Long-Term Bank Loans	11.8	12.4	48.3	3.7	59.4	4.5
Current Portion of Finances Lease Obligation	—	—	—	—	4.7	0.4
Other Current Financial Liabilities	300.2	408.8	339.9	25.8	519.2	39.4
Advances from Customers	3,076.0	2,524.0	863.2	65.5	2,139.8	162.4
Deferred Income	112.8	362.2	480.1	36.4	396.4	30.1
Deferred Gain on Sales and Leaseback Transactions	119.6	127.3	132.8	10.1	131.6	10.0
Total Current Liabilities	**4,847.3**	**5,808.9**	**4,856.9**	**368.5**	**7,410.3**	**562.2**
Non-Current Liabilities						
Long-Term Bank Loans	43.0	30.5	471.7	35.8	489.7	37.2
Finances Lease Obligation	—	—	—	—	24.5	1.9
Due to Related Parties Non-Trade	3.8	3.4	7.5	0.6	2.4	0.2
Bonds Payable	7,747.8	9,780.6	10,883.1	825.7	10,411.2	789.9
Other Non-Current Financial Liabilities	51.0	67.4	85.6	6.5	107.2	8.1
Long-Term Employment Benefits Liabilities	199.0	255.7	311.1	23.6	312.7	23.7
Deferred Tax Liabilities	12.0	28.1	39.6	3.0	33.7	2.6
Advances from Customers	2,245.7	2,695.7	4,348.6	329.9	2,844.5	215.8
Deferred Income	715.8	418.0	359.1	27.2	438.4	33.3
Deferred Gain on Sale and Leaseback Transactions	1,274.5	1,147.3	1,046.7	79.4	967.9	73.4
Total Non-Current Liabilities	**12,292.6**	**14,426.7**	**17,552.9**	**1,331.8**	**15,632.1**	**1,186.1**
Total Liabilities	**17,139.9**	**20,235.5**	**22,409.8**	**1,700.3**	**23,042.4**	**1,748.3**

	As of December 31,				As of June 30,	
	2013(1)	2014(1)	2015(1)	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	US$
	(Rp in billions and US$ in millions)					
EQUITY						
Equity Attributable to Owner of the Parent Company						
Capital Stock						
Par Value Rp100						
Authorized Capital — 64,000,000,000 shares						
Issued and Fully Paid — 23,077,689,619 shares	2,307.8	2,307.8	2,307.8	175.1	2,307.8	175.1
Additional Paid-in Capital — Net	4,063.1	4,063.1	4,063.1	308.3	4,063.1	308.3
Difference in Transactions with Non-Controlling Interest	(185.8)	529.6	1,551.2	117.7	1,551.2	117.7
Other Equity Components	1,105.1	1,105.1	1,105.1	83.8	1,105.1	83.8
Treasury Stock	(216.5)	(216.5)	(216.5)	(16.4)	(216.5)	(16.4)
Retained Earnings	4,731.2	6,958.1	7,101.4	538.8	7,542.0	572.2
Other Comprehensive Income	978.7	840.4	482.0	36.6	816.9	62.0
Total Equity Attributable to Owner of the Parent Company	12,783.6	15,587.6	16,394.1	1,243.9	17,169.5	1.302.7
Non-Controlling Interests	1,384.9	2,033.2	2,522.6	191.4	2,776.5	210.7
Total Equity	**14,168.5**	**17,620.8**	**18,916.8**	**1,435.3**	**19,946.0**	**1,513.4**
Total Liabilities and Equity	**31,308.4**	**37,856.4**	**41,326.6**	**3,135.6**	**42,988.4**	**3,261.6**

(1) In connection with PSAK 24, which became effective January 1, 2015, we have restated certain line items in our consolidated statement of financial position as of December 31, 2013 and 2014 to account for changes in the treatment of employee benefits. See note 3 of our financial statements included in this Offering Circular for further details.

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
CASH FLOW DATA							
Net Cash Flows Provided by (Used in) Operating Activities	(2,078.8)	786.5	(2,711.0)	(205.7)	(1,755.3)	(431.0)	(32.7)
Net Cash Flows Provided by (Used in) Investing Activities	(580.3)	(350.1)	204.8	15.5	242.2	(222.3)	(16.9)
Net Cash Flows Provided by (Used in) Financial Activities	1,142.0	1,320.1	753.5	57.2	(49.1)	594.5	45.1
Net Increase (Decrease) in Cash and Cash Equivalent	(1,517.2)	1,756.5	(1,752.4)	(132.9)	(1,562.2)	(58.8)	(4.5)
Effect of Foreign Exchanges on Cash and Cash Equivalent at the End of the Period	34.9	(28.9)	9.1	0.7	24.0	(7.2)	(0.5)
Cash and Cash Equivalent at the Beginning of the Period	3,337.4	1,855.1	3,582.6	271.8	3,582.6	1,839.4	139.6
Cash and Cash Equivalent at the End of the Period	1,855.1	3,582.6	1,839.4	139.5	2,044.5	1,773.4	134.5

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
OTHER FINANCIAL DATA							
EBITDA(1)	1,801.0	3,633.2	2,222.7	168.6	1,361.3	1,199.0	91.0
Interest Expense(2)	466.2	612.6	885.8	67.2	335.1	420.0	31.9
Capital Expenditures(3)	1,311.3	648.0	496.6	37.7	259.7	340.1	25.8
EBITDA Margin (%)(4)	27.0	31.2	24.9	24.9	29.1	23.5	23.5
EBITDA/Interest Expense (x)	3.9	5.9	2.5	2.5	4.1	2.9	2.9
Net Debt/EBITDA (x)(5)	3.3	1.8	4.7	4.7	2.2	5.2	5.2

(1) (a) We calculate EBITDA by adding depreciation to profit from operations calculated under Indonesian FAS.

(b) EBITDA is not a standard measure under Indonesian FAS.

(c) EBITDA is a widely used financial indicator of a company's ability to service and incur debt.

(d) EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

(e) *EBITDA does not account for taxes, interest expense or other non-operating cash and non-cash expenses.*

(f) *In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenues and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges.*

(g) *We have included EBITDA because we believe EBITDA is a useful supplement to cash flow data as a measure of our historical performance and our ability to generate cash from operations to cover debt service and taxes.*

(h) *EBITDA presented herein may not be comparable to similarly titled measures presented by other companies.*

(i) *You should not compare EBITDA presented by us to EBITDA presented by other companies because not all companies use the same definition.*

(j) *You should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Trust Deed governing the Notes. Interest expense excludes capitalized interest. See the section entitled "Terms and Conditions of the Notes" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Trust Deed governing the Notes.*

(2) *Includes capitalized interest.*

(3) *Capital expenditure represents expenditure on property and equipment and investment properties.*

(4) *EBITDA Margin is calculated as EBITDA divided by revenues.*

(5) *Net Debt/EBITDA is calculated as total debt minus cash and cash equivalent divided by EBITDA, which is based on the last 12 month period.*

	As at and for the Year ended December 31,				**As at and for the Six Months Ended June 30,**		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
OPERATING DATA							
Urban Development:							
Residential							
Number of houses sold	1,079	746	7,346	7,346	406	353	353
Total area sold (square meters)	152,872	127,197	169,140	169,140	66,358	53,847	53,847
Average price per sqm (Rp thousands/US$)	Rp4,656	Rp7,334	Rp14,811	US$1,115	Rp8,425	Rp10,628	US$806
Industrial							
Total area sold (square meters)	692,106	402,842	107,644	107,644	104,284	329,015	329,015
Average price per sqm (Rp thousands/US$)	Rp1,071	Rp1,563	Rp4,308	US$324.5	Rp3,579	Rp664	US$50
Retail Malls:							
Total area sold (square meters)	300	229	0	0	0	0	0
Leased Malls:							
Range of rental rates (per month per square meters) (Rp thousands)	Rp57-213	Rp61-216	Rp70-231	US$5.2-17	Rp66-234	Rp69-236	US$5.5-18
Occupancy rate (per month) (%)	88	82	85	85	83	88	88
Range of lease expiry periods (years)	3-10	3-10	3-10	3-10	3-10	3-10	3-10
Healthcare:							
Inpatient							
Number of operational beds	1,985	2,317	2,575	2,575	2,474	2,769	2,769
Bed occupancy ratio (%)	51.0	55.2	63	63	64	71	71
Average revenue per patient day (Rp thousands/US$)	Rp4,144	Rp4,341	Rp3,633	US$273	Rp4,343	Rp4,628	US$351.1
Medical Experts							
Number of general practitioners	304	400	8,344	8,344	457	449	449
Number of specialists(1)	1,209	1,376	1,592	1,592	1,633	1,599	1,599
Number of nurses	2,767	3,151	3,633	3,633	3,489	3,855	3,855
Outpatient							
Number of one day care patients	6,796	6,878	8,344	8,344	4,329	4,526	4,526
Number of patient visits (in thousands)	1,204	1,248	1,565	1,565	768	929	929
Average revenue per visit (Rp thousands/US$)	Rp793	Rp875	Rp820	US$61	Rp804	Rp849	US$64
Hotels							
Number of rooms	994	1,020	1,017	1,017	1,017	1,049	1,049
Average room occupancy rate (%)	71.6	61.6	67.6	67.6	69.2	60.3	60.3
Average room rate (Rp thousands)	Rp622	Rp535	Rp623	US$46	Rp597	Rp612	US$46
Revenue per available room (Rp thousands/US$)	Rp445	Rp333	Rp421	US$31	Rp413	Rp368	US$28

(1) *Includes full-time and part-time specialists in 2013, 2014, 2015 and in the six months ended June 30, 2016.*

RISK FACTORS

An investment in the Notes involves a number of risks. You should carefully consider all the information contained in this Offering Circular including the risks described below before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The market price of the Notes could decline due to any of these risks and you may lose all or part of your investment. The risks described below are not the only ones that may affect us or the Notes.

RISKS RELATING TO OUR BUSINESS

Our operations are divided into six business units: (i) urban development, which includes the development and sale of residential, commercial and light industrial properties, (ii) large scale integrated development, which includes the development and sale of residential, office, entertainment, education and healthcare facilities in one location, (iii) retail malls, which consists of the development and ownership of malls we own, (iv) healthcare, which includes the ownership/lease and operation of hospitals and medical facilities, (v) hospitality and infrastructure, which includes the operation, lease and ownership of hotel properties and ongoing township management services and development of infrastructure in several locations throughout Indonesia, and (vi) property and portfolio management, which includes the provision of property management services for hotels owned by third parties, for malls either developed and owned by our retail malls business unit or owned by third parties, and REIT management. Each of our business units is subject to risks specific to the industries in which it operates, which could materially and adversely affect our business, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Some or all of our existing and planned projects may not be completed in a timely manner or at all.

Our success and financial performance will depend on our ability to identify, develop, market and sell our developments in a timely and cost effective manner. Our development activities are subject to various construction risks, including but not limited to, the risk of delays in obtaining required approvals, availability of raw materials, increases in construction costs, natural disasters, and reliance on third-party contractors as well as the risk of decreased market demand during the development of a project.

Construction of new developments entails significant risks, including shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, work stoppages, litigation, weather interference, floods and unanticipated cost increases, any of which could give rise to delays or cost overruns. Any significant increase in the price of construction materials, for example, would increase our cost of development. Difficulties in obtaining any requisite licenses, permits, allocations or authorizations from regulatory authorities could also increase the cost, or delay the construction or opening, of new developments.

We also engage third-party contractors to provide us with various services in connection with our urban, residential and retail developments, including construction, piling and foundation, building and property fitting-out work, interior decoration, installation of air-conditioning units and elevators and gardening and landscaping works. Many of our agreements with contractors are for fixed prices, but if costs exceed a threshold amount, the contractor may negotiate with us for higher fees and we may have to bear such additional amounts in order to provide them with sufficient incentives to complete projects. Furthermore, there is a risk that major contractors may experience financial or other difficulties, which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to us. There can also be no assurance that the services rendered by the third-party contractors will always be satisfactory or match our targeted quality levels.

As a result of these and other factors described herein, no assurance can be given as to whether or when existing and planned projects will be successfully completed. In recent years, we have undertaken numerous large projects and we expect this trend to continue as we grow and real estate markets in Indonesia mature. Although we plan to apply many of the same development and marketing strategies that we have employed in the past, new projects may pose unforeseen challenges and demands on our managerial and financial resources. Failing to complete any of our developments may have a material and adverse effect on our business, reputation, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We are exposed to fluctuations in the property markets.

The Indonesian real estate development industry is cyclical and is significantly affected by changes in general and local economic conditions, including employment levels, availability of financing, interest rates, consumer confidence and demand for developed products, whether residential, commercial, retail or industrial. For example, in 2015 and in the first half of 2016, there was a marked slowdown in the property market in Indonesia. This slowdown resulted in decreased demand for, and lower pre-sales with respect to, our developments and properties in 2015 and in the first half of 2016, as compared to previous periods, which will ultimately result in lower revenues in future periods due to the delay in recognizing revenue from our property sales. Project development begins, and financial and other resources are committed, long before a real estate project comes to market, which could occur at a time when the real estate market is depressed. Such a depression in the Indonesian real estate markets could adversely affect our business, financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

The availability of, and interest rates on, financing for potential purchasers of our properties may have a significant impact on the demand for our property developments.

A number of potential buyers of our residential properties finance their purchases through third-party mortgage financing. See "Business — Sales, Marketing and Pricing — Urban Development and Large Scale Integrated Developments". In the case of the purchase of a first residential property, Bank Indonesia requires a minimum down payment of 20% of the purchase price of the property. The minimum down payment requirement increases to 30% of the purchase price for the second residential property and to 40% of the purchase price for the third or any subsequent residential property.

Any increase in the minimum down payment requirement for our properties may adversely affect the ability of potential purchasers to finance their purchases of residential properties through mortgages. Bank Indonesia also regulates mortgage financing by specifying the maximum loan-to-value ("**LTV**") ratio for loans granted by commercial banks and the maximum financing-to-value ("**FTV**") ratio for financing granted by sharia banks. Under Bank Indonesia Regulation No. 18/16/PBI/2016 dated August 26, 2016, effective on August 29, 2016 and its implementing regulation BI Circular Letter No. 18/19/DKMP, which became effective on September 6, 2016, Bank Indonesia revised the maximum LTV ratio for loans from commercial banks to between 60% and 90%, and the maximum FTV ratio for financing from sharia banks to between 60% and 90%, in each case depending on the type of the property and the nature of the facility and the number of mortgage facilities held by the applicant.

In addition, under BI Circular Letter No.18/19/DKMP, Bank Indonesia placed certain restrictions on a bank's ability to grant residential mortgage loans, which are subject to certain exceptions. Such restrictions prohibit banks from (i) granting a mortgage loan to finance the down payment for the purchase of a residential property, and (ii) granting a credit facility before the relevant property is fully constructed and ready for handover. In case the physical form of the property has not been fully constructed, the bank may only a credit facility if the bank can fulfill the following requirements:

(1) the credit facility granted to the customer is the customer's first or second credit facility;

(2) there is a cooperation agreement between the bank and the developer of the property, which should at least contain an undertaking from the developer to complete the construction in accordance with the agreement between the customer and developer;

(3) the property developer or another party grants a corporate guarantee that can be used to complete the construction of the property and fulfill the obligations of the developer in case the property cannot be constructed and/or delivered as agreed; and

(4) disbursement of credit facility must be made on an installment basis based on the construction of the property.

Such regulations may adversely affect the ability of potential purchasers to finance their purchases of our properties through mortgages

An increase in interest rates in Indonesia may also negatively impact our property developments. High interest rates generally impact the real estate industry by making it harder for consumers to qualify for and secure financing, which can lead to a decrease in the demand for residential, commercial or industrial developments. Even though interest rates have significantly decreased from the 1990s when they ranged between approximately 18% and 21% per annum to between approximately 8% and 17% per annum in recent years, there can be no assurance that interest rates on such loans will not increase or there will not be a decrease in the availability of such loans, which may result in a reduction in the use of such loans. Any downturn in the economy or consumer confidence may result in reduced housing demand and slower commercial and industrial development, which could negatively impact the demand for all of the types of property that we have under development and negatively affect our business, reputation, financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Our development activities require substantial capital investments and may require us to seek significant external financing which may not be available on terms favorable to us or at all.

We pursue a strategy of pre-selling our development properties. This has reduced our need to seek significant external financing as we receive payments in advance from purchasers of our development properties. However, there can be no assurance that our pre-selling strategy will be sufficient to cover all of our anticipated financing needs. We may be required to seek external financing to fund working capital or capital expenditures to support the growth of our business which may include the public listing of, or sales of minority interests in, our subsidiaries. In the event that such a subsidiary is publicly listed, we will be required to offer a percentage of the shares of such subsidiary to public investors in accordance with prevailing Indonesian laws and regulations. In addition, in the event a minority interest in such a subsidiary is sold, we may become subject to shareholders' agreements or other similar agreements requiring us to give certain rights to minority shareholders. Our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, success of our business, provisions of tax and securities laws that may be applicable to our efforts to raise capital, any restrictions imposed by Bank Indonesia or other banking institutions on providing financing to companies operating in the property, healthcare or hospitality sectors in Indonesia and political and economic conditions in Indonesia. There can be no assurance that additional financing, either on a short-term or a long-term basis, would be available to us or, if available, that such financing would be obtained on terms favorable or satisfactory to us.

We may not be able to successfully develop our own, or acquire and integrate existing, hospitals in the future.

Our growth and success in our healthcare business unit will depend on our ability to develop new, or acquire and integrate existing, hospitals in a timely and cost efficient manner. The development of new hospitals is subject to, among other things, risks relating to the identification of appropriate sites, as well as development, construction and financing risks. The acquisition of existing hospitals is subject to, among others, financing risks and our ability to identify suitable existing facilities and negotiate attractive acquisition terms.

There can be no assurance that we will be able to identify or acquire suitable land sites for our future hospitals. Attractive land sites may be scarce and expensive. We may also face problems obtaining title to our land sites. Furthermore, once we have identified suitable land sites, we may not be able to secure such land on commercially reasonable terms or at all.

Construction of new hospitals is characterized by long gestation periods and entails significant risks, including shortages of materials or skilled labor, unforeseen engineering, environmental or geological problems, weather interference and unanticipated cost increases.

We may face difficulties identifying hospitals for acquisitions on attractive terms, and may face further difficulties arising from integrating newly acquired hospitals into existing operations. Acquiring and integrating existing hospitals is subject to a number of additional risks, including:

- difficulties in integrating the assets and operations of acquired hospitals with those of our existing hospitals;
- challenges in renovating and rebuilding existing hospitals and facilities or re-positioning existing hospitals that we have acquired to meet required operational standards;
- the loss of patients or key doctors and other medical staff following any acquisitions;
- the diversion of management's attention from our existing hospitals and operations;
- an interruption of, or a loss of momentum in, the activities of such hospitals;

- the failure to realize expected synergies and cost savings;

- difficulties in coordinating and consolidating corporate and administrative functions, including the integration of internal controls;

- unforeseen legal, regulatory, contractual, labor or other issues; and

- to the extent newly acquired hospitals are located in new markets, difficulties arising from language, cultural and geographic barriers.

We intend to finance the development of new hospitals and the acquisition of existing hospitals through cash generated from operations and additional financing from banks and other third party finance providers. Our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, success of our business, provisions of tax and securities laws that may be applicable to our efforts to raise capital, any restrictions imposed by Bank Indonesia or other banking institutions on providing financing to companies operating in healthcare sectors in Indonesia and political and economic conditions in Indonesia. There can be no assurance that additional financing, either on a short-term or a long-term basis, if required, would be available to us or, if available, that such financing would be obtained on terms favorable or satisfactory to us.

In addition to the specific risks identified above, we may face additional difficulties arising from operating a significantly larger and more complex organization as a result of our newly developed and acquired hospitals and may not be able to effectively manage such a larger enterprise or achieve the desired profitability from such development or acquisitions. To the extent such acquisitions or developments reflect an expansion into new areas and territories that we currently do not operate in, we may face risks arising from unfamiliar government authorities and regulations and difficulties arising from language, cultural and geographic barriers.

As a result of these and other factors described herein, no assurance can be given as to whether or when planned projects or acquisitions will be successfully completed or integrated. Any failure to complete or successfully integrate any such projects or acquisitions may materially and adversely affect our business, financial condition, results of operations and prospects.

Rapid technological advances and other challenges related to our medical equipment could adversely affect our business.

We use sophisticated and expensive medical equipment in our hospitals to provide services. Medical equipment often needs to be upgraded frequently, as innovation can rapidly make existing equipment obsolete or unable to provide services that patients require or demand. Replacement, upgrading or maintenance of equipment may involve significant costs. Doctors and other medical professionals will also need training for new equipment. If we are unable to keep up with technological advances, our doctors and patients may turn to other hospitals which have more advanced equipment and our competitive edge will be reduced, which may have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

Our healthcare business unit and financial results could be harmed if we are not able to attract and retain doctors and other healthcare professionals.

Operations at our hospitals depend on the efforts, ability and experience of doctors and medical staff at our hospitals. We compete with other healthcare providers, including providers located in the region, in recruiting and retaining qualified doctors and other healthcare professionals. While Indonesian law does not permit us to employ foreign doctors or staff who do not have a practice license (*Surat Izin Praktik*) from the Indonesian Minister of Health, Indonesian doctors and nursing staff are regularly recruited by competitors outside Indonesia. In some of our hospitals, doctor recruitment and retention is affected by a shortage of doctors in certain specialties.

We have experienced and expect to continue to experience significant wage and benefit pressures created by the current global nursing shortage. We expect the global nursing shortage to continue, and we may be required to enhance wages and benefits to recruit and retain nurses or increase the use of temporary personnel, which are more expensive.

The loss of some of our medical personnel or the inability to attract or retain sufficient numbers of qualified doctors and other healthcare professionals could have a material and adverse effect on our healthcare business unit, financial position and results of operations, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

In addition, some doctors, including those who practice at our hospitals, face increases in malpractice insurance premiums and limitations on availability of insurance coverage. The inability of our doctors to obtain appropriate insurance coverage could cause those doctors to limit their practice. That, in turn, could result in lower admissions to our hospitals, therefore affecting our business, financial condition, results of operations and prospects, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

A portion of our revenue and income is derived from our management of two REITs and 44 malls. Our property and portfolio management business unit would be adversely affected if the performance of either of these REITs deteriorates.

We currently manage two REITs, First REIT and LMIRT, and 44 malls. We also hold investments in the units of these two REITs. Our fees from the management of each of the REITs comprise (i) management fees which comprise both base fees (which are generally based on the value of the REIT) and performance fees (which are based on the net property income of the REIT); and (ii) acquisition and divestment fees, which are based on the acquisition or sale price of any real estate purchased or sold by the REIT. In December 2010, we sold one of our hospitals, Siloam Hospitals Lippo Cikarang, to First REIT and First REIT also acquired an additional hospital, MRCCC. In November 2012, we completed the sale and lease-back of two of our hospitals, Makassar and Manado, and Hotel Aryaduta Manado to First REIT for a combined purchase consideration of approximately S$142.9 million. We sold Siloam Hospitals Bali and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million in May 2013. A decrease in the values of the properties held by the REITs or the net property incomes of the REITs would result in a corresponding decrease in our fees. Our fees from the management of 44 malls are based on the gross revenue and net property income of the malls. Any condition which might have a material adverse effect on the REITs' and malls' operating performance and financial condition, or termination of our management services by either or both REITs and malls, could materially reduce our revenues derived from managing the REITs and malls.

Our existing contracts for the provision of management services for each REIT do not expire unless we resign or are removed as manager. We may be removed by the trustee of the relevant REIT, typically in the event of a resolution passed by a majority of the votes cast by unitholders of the REIT, present and voting or in the event we fail to perform any of our material obligations under the trust deed constituting the REIT. Our property management services are generally on a short or fixed term basis. In the event that our management or project services are terminated prior to the expiry of the management contract or we are removed as manager in accordance with the terms of the management contracts, or applicable law, or we are unable to renew contracts that have expired on terms that are commercially reasonable to us, our business, financial condition, results of operations and prospects will be adversely affected.

Additionally, we expect to grow our fee-based income through the establishment of new REITs or the expansion of the capital base of our existing REITs. We cannot assure you that we will be successful in raising new funds or that we are able to compete against other funds, REITs or REIT managers to raise funds and find new investors for new or our existing REITs, or that the level of fees that we may generate from such new funds or REITs will be comparable to those of our existing REITs.

The inability of the REITs that we manage to issue new equity or raise or refinance debt funding could adversely affect our ability to develop new properties.

Our cash flows, leverage, future growth prospects and performance depend in part upon our ability to sell development properties to First REIT and LMIRT, which may require these trusts to either issue equity or raise debt. See "Business — Competitive Strengths — Track record of recycling capital". The ability of First REIT and LMIRT to issue new equity or raise or refinance debt depends on a number of factors, including the financial positions of the trusts, general economic, regulatory, political and capital market conditions, volatility of the Rupiah and credit availability. For example, effective January 1, 2016, the Monetary Authority of Singapore raised the leverage ratio imposed on the REITs from 35% of the REIT's total assets to 45%, and at the same time removed the option for the REITs to leverage up to 60% by obtaining a credit rating. This will mean that the REITs will only be able to take on debt up to 45% of their total assets, as opposed to 60%. If First REIT and

LMIRT are unable to issue new equity or raise debt, as a result of regulatory or other factors, they will be unable to purchase new assets, including development properties from us, which may constrain our ability to service our debt or fund certain of our future development properties. Additionally, our income from fund management and the value of the investments these funds may be adversely affected.

Our land bank may be subject to Government Regulation No. 11 of 2010 and Law No. 2 of 2012.

On January 22, 2010, the Government issued Government Regulation No. 11 of 2010 on the Administration and Utilization of Unused Land (*Penertiban dan Pendayagunaan Tanah Terlantar*) ("GR No. 11/2010"). Under GR No. 11/2010, the Government may revoke the Right of Ownership (*Hak Milik*), Right to Cultivate (*Hak Guna Usaha*), Right to Build (*Hak Guna Bangunan*), Right to Use (*Hak Pakai*) or Right to Manage (*Hak Pengelolaan*) title, and reclaim land without any compensation over such land which has not been utilized or is not being utilized. Upon the lapse of a period of three years from the issuance of title or the expiry of the license/decision/certificate authorizing the land possession, in accordance with the conditions or characteristics of the land and the purpose of the rights over such land or the basis of possession over the land, the local land office will initiate an identification process to determine whether there is any unused land. In the event that any part of the land is determined to be unused land, the local land office may issue three warning letters, each having a one-month grace period. Following the expiry of such grace period, the local land office will then have the right to reclaim the unused land. However, unintentional non-use of privately owned or state-owned land, which has been registered as *Hak Milik* or *Hak Guna Bangunan*, is exempted from GR 11/2010.

On July 16, 2010, the Association of Real Estate Indonesia (*Persatuan Perusahaan Real Estate Indonesia*) (the "**REI**") filed proceedings in the Supreme Court of Indonesia challenging the validity of GR No. 11/2010. Two months after the filing date, the REI revoked its claim on the basis that the Government has verbally guaranteed that the implementation of GR No. 11/2010 will not impair the operations of developers.

In addition, pursuant to Law No. 2 of 2012 on Land Procurement for Public Interest ("**Law No. 2/2012**"), any land title granted to us may be revoked by the Government for public use including, among others, for the purpose of national defense and security, power plants, telecommunication and information networks of the Government, waste treatment sites, the Government's hospitals, offices, education infrastructure and schools, with certain compensation. However, there can be no assurance that such compensation will be sufficient to recover the land acquisition cost or any other investments, or whether we will be able to acquire a similar plot of land or at a similar or commercially acceptable price and this could materially and adversely affect our business, financial condition and results of operations.

Given the characteristics of the Indonesian property industry, land acquired and held by property developers may not be utilized or developed for a period of three years or more. Use and development of such land depends on a number of factors including market demand for development properties. There is no assurance that GR No. 11/2010 and Law No. 2/2012 will not affect the land that we currently hold or will acquire in the future, or that the Government will not revoke the land title issued to us or reclaim the unused land without compensation. If the Government revokes the title issued to us or reclaims any unused land without compensation, this may have a material adverse effect on our business, financial condition, results of operations and prospects.

We engage in a significant number of transactions with affiliates which could involve our management in a conflict of interest.

Some of our transactions are conducted with affiliates. Such transactions include the sales of commercial and retail space in our property developments to our affiliates, including PT Matahari Putra Prima Tbk. and PT Mulia Persada Pertiwi, and the development and sale of educational infrastructure at our Lippo Village urban development to a foundation closely associated with our affiliates. See "Related Party Transactions". For the six months ended June 30, 2016 and the year ended December 31, 2015, affiliated parties contributed approximately 0.39% and 0.40%, respectively, of revenues generated by our commercial projects. The negotiation and conduct of such transactions may involve our management in a conflict of interest, even though our policy is that all transactions with affiliates are conducted at arm's length and under standard market terms and conditions.

Our insurance policies may be insufficient and some have expired and are being renewed.

Our properties could suffer physical damage caused by fire or natural disaster or other causes or we may suffer malpractice or public liability claims, including claims arising from the operations of our hospitals, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Should an uninsured loss or a loss in excess of insured limits occur, we could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. We would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. We do not maintain title or business interruption insurance with respect to our urban development or large scale integrated development business units. In addition, we are in the process of renewing and extending certain of our expired insurance policies with our insurance providers, and we cannot assure you that we will be able to renew the insurance policies on terms satisfactory to us.

Hospitals are subject to all of the risks common in the healthcare industry.

Generally, hospitals are subject to governmental regulation over their medical and surgical services, which could have a significant and possibly unfavorable effect on the price and availability of such services. Furthermore, hospitals face the risk of increasing competition for new products or services and the risk that technological advances will render their current medical and surgical services obsolete. The rising cost of healthcare technology may adversely impact the financial results of our healthcare business unit as well. Hospitals may also incur losses when adopting a new medical or surgical service, and revenue patterns may be erratic as a result. In addition, hospitals may be affected by events and conditions, including, among other things, demand for services, doctors' confidence in the facility, management capabilities, competition with other hospitals, efforts by insurers to limit charges, expenses, economic conditions, exchange rate fluctuation and the cost and possible unavailability of malpractice insurance. Additionally, natural disasters such as earthquakes and flooding can have a significant impact on business continuity and accessibility.

The outbreak of the H7N9 virus, the Influenza A (H1N1) virus ("swine flu"), avian flu, the Severe Acute Respiratory Syndrome ("SARS"), or other potentially life-threatening illnesses or contamination may affect our hospitals.

The outbreak of the H7N9 virus, swine flu, avian flu, SARS, or other potentially life-threatening infectious illnesses or contamination may lead the government to impose regulations on hospitals, affecting their normal routine of operations and possibly leading to a lower number of patients who are willing to visit the hospitals.

In addition, should patients infected with such illnesses be housed in any of our hospitals, our healthcare business unit could experience a negative impact on its reputation, resulting in a lower number of patients who are willing to visit our hospitals for other kinds of medical or surgical treatment. Furthermore, any outbreak of such illnesses or contamination could, as a result of additional procedures we will need to put in place to protect against cross infection among patients, have an adverse effect on the number of patients we are able to treat, therefore resulting in a reduction in revenues from our hospitals.

Any of the foregoing matters could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

Our hospitals may be subject to potential malpractice, negligence and other legal lawsuits.

From time to time, we have been named as a defendant in medical and legal claims and/or regulatory actions arising from the provision of healthcare services. Plaintiffs may bring actions against the attending physician as well as the hospital at which treatment was given. Due to the fact that we treat complex medical conditions at our hospitals, which do not have guaranteed positive outcomes, we are exposed to such medical malpractice litigation. We do not carry general malpractice insurance. Each of our doctors is responsible for his or her liability insurance in respect of any malpractice claim that may be brought against such doctor.

Although each doctor should be liable for any malpractice claim, we are nevertheless exposed to the risk of having to bear legal responsibility for any such claim. Further, even if our hospitals are not involved in such medical malpractice litigation, the reputation of our hospitals may be adversely affected by our association with a doctor involved in the medical malpractice litigation. The existence of such claims alone may tarnish the reputation of our hospitals and/or their doctors. We may continue to be exposed to the risk of legal claims and/or regulatory actions arising from the provision of healthcare services. If such claims succeed, our hospitals may be liable for fines or even face closure.

We are currently party to two medical malpractice lawsuits brought by our former patients, as well as a lawsuit involving a wrongful termination claim in our healthcare business unit. The first medical malpractice lawsuit was brought by a former patient who sought damages of Rp10.0 billion (US$0.7 million) against Siloam Hospitals Jambi (the "**Jambi Malpractice Claim**"). The Jambi Malpractice Claim was rejected by the Supreme Court of Indonesia on November 28, 2014, and such decision is final and binding. A second medical malpractice lawsuit brought by another former patient against Siloam Hospital Lippo Village sought damages of Rp500.9 billion (US$38 million) (the "**Lippo Village Malpractice Claim**"). The District Court of Tangerang rejected the Lippo Village Malpractice Claim and the plaintiff appealed to the High Court of Banten. The High Court of Banten has rejected the appeal and affirmed the District Court decision on February 16, 2016. Subsequently on April 22, 2016, the former patent filed a cassation claim to the Supreme Court. As of the date of this Offering Circular, this lawsuit remains in process in the Supreme Court. In respect of the wrongful termination suit against Siloam Hospitals Kebon Jeruk, a group of physicians who were former employees claimed damages amounting to Rp73 billion (US$5.5 million). On September 13, 2011, the Supreme Court of Indonesia rejected an appeal from the physician group and on February 6, 2015, the physician group requested a judicial review to the Supreme Court of Indonesia. As of the date of this Offering Circular, this lawsuit is still being processed in the Supreme Court of Indonesia. See "Business — Legal Proceedings".

If medical malpractice litigation is not decided in our or a doctor's favor, our business, reputation, financial condition, results of operations and prospects may be materially and adversely affected. There can be no assurance that our internal malpractice procedures and funds will be sufficient to meet any liability that may arise under any medical malpractice litigation.

Changes in or non-adherence to government healthcare regulations could impact our healthcare business unit.

Healthcare is an area that is subject to extensive government regulation and dynamic regulatory changes. Our hospitals are subject to laws and regulations, including, but not limited to, licensing, facility inspections, reimbursement policies and control over certain expenditures. There may be periodic inspections by governmental and other authorities to ensure continued compliance with such laws and regulations. Failure to maintain required regulatory approvals or licenses could materially and adversely affect our healthcare business unit.

One of our hospitals does not currently hold up-to-date operational licenses, as required pursuant to the Minister of Health issued Regulation No. 56 of 2014 on Hospital License and Classifications ("**Regulation No. 56/2014**"). There can be no assurance that we will be able to secure any necessary license that has not been obtained and is currently being sought or any licenses that may be required in the future, or that we will not receive sanctions related to the failure to obtain any necessary licenses. If we fail to obtain, maintain or renew the licenses or approvals required by the central Government or any local government to conduct our operations, our financial condition and results of operations could also be materially adversely affected.

In addition, there can be no assurance that there will not be changes in such laws and regulations, or new interpretations of such laws and regulations which may adversely affect our healthcare business unit.

Operations of hospitals are subject to environmental laws and regulations and environmental risks.

Our hospitals may contain, or their operations may utilize, certain materials, processes or installations which are regulated pursuant to environmental laws and regulations, or may require environmental permits from regulatory authorities. These items include, but are not limited to, medical or infectious waste, incinerators, and small amounts of friable asbestos-containing materials. These environmental laws and regulations also impose liability on us for removal or remediation of hazardous or toxic substances. As a result, we may also be liable for government fines and damages for injuries to persons, natural resources and adjacent property. Our healthcare business unit's operating expenses could be higher than anticipated due to the cost of complying with existing and future environmental and occupational health and safety laws and regulations.

We have made applications for the processing of hazardous and toxic materials (B3) in respect of several of our hospitals. Some of these applications are pending and there can be no assurance that we will be able to obtain them in a timely fashion or at all. We are also in the process of submitting the report on environmental effort implementation, in relation to several of our hospitals. As the submission of these reports may be overdue, we may be subject to administrative sanctions, which can range from written warnings to the temporary suspension of business licenses and the revocation of business licenses that we require to operate the related hospitals.

Although we will take all steps to comply with the laws and regulations in connection with such materials, processes or installations, there is no assurance that environmental liabilities will not exist in the future, or that any such environmental liabilities will not be material to our healthcare business unit. The imposition of any fines or sanctions or suspension of any of our business licenses that we require to operate any of our hospitals could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

Challenges that affect the healthcare industry and other external factors also have an effect on our healthcare business unit.

Our healthcare business unit is impacted by the challenges currently facing the global healthcare industry as a whole. We believe that the key ongoing industry-wide challenges are providing quality patient care in a competitive environment and managing costs. In addition, our healthcare business unit and results of operations are affected by factors that affect the healthcare industry including (i) technological and pharmaceutical improvements that reduce the demand for healthcare, (ii) demographic changes and (iii) changes in the distribution process of healthcare services or other factors that increase the cost of supplies of healthcare services. In particular, patient volumes and revenues generated at our medical facilities are subject to economic and seasonal variations caused by a number of factors, including, but not limited to (i) prevailing unemployment levels, (ii) weather conditions and seasonal cycles of illness, (iii) vacation patterns and religious observance of both patients and doctors, (iv) healthcare competitors and (v) other factors relating to when patients decide to undergo elective medical procedures.

Our hotel business is subject to all of the risks common in the hospitality industry.

A number of factors, many of which are common to the hotel industry and beyond our control, could materially and adversely affect our hospitality and infrastructure business unit, including but not limited to the following:

- increased threats of terrorism, terrorist events or airline strikes, outbreak of infectious diseases, increases in supply costs, airline fares and other expenses relating to travel or other factors that may affect travel patterns and reduce the number of business and commercial travelers and tourists and other factors that may not be offset by increased room rates;

- increased competition from other hotels in our market for guests, meetings and special events such as weddings could harm occupancy levels and revenue at our hotels;

- dependence on business and commercial travel, leisure travel and tourism, all of which may fluctuate and be seasonal;

- increase in operating costs due to inflation, labor costs, workers' compensation and health-care related costs, utility costs, insurance and unanticipated costs such as acts of nature and their consequences and other factors that may not be offset by increased room rates;

- increase in maintenance or capital improvements;

- adverse effects of international market conditions, which may diminish the desire for leisure travel or the need for business travel, as well as national, regional and local economic and market conditions in which our hotels operate and where customers live;

- changes in regulations or changes in application of regulations in Indonesia, which would affect any applicable Government licenses necessary to operate our hotels; and

- adverse effects of a downturn in the hotel industry.

All of these factors could materially and adversely affect our hospitality and infrastructure business unit, financial condition and results of operations, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We are exposed to general risks associated with the ownership and management of property.

We have one of the largest landbanks among property developers in Indonesia. Real estate investments are generally illiquid, limiting the ability of an owner or a developer to convert property assets into cash on short notice, with the result that property assets may be required to be sold at a discount in order to ensure a quick sale. Such illiquidity also limits our ability to manage our portfolio in response to changes in economic or other conditions. Moreover, we may face difficulties in securing timely and commercially favorable financing in asset-based lending transactions secured by real estate due to the illiquidity or by restrictions in our various debt obligations, including the Notes.

Property investment is subject to risks incidental to the ownership and management of residential, commercial and retail properties including, among other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in our financial statements, increased operating costs, the need to renovate, repair and re-let space periodically and to pay the associated costs, as well as wars, terrorist attacks, riots, civil commotions, natural disasters and other events beyond our control. Our activities may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to Government appropriation, condemnation and redevelopment.

Increasing competition in the Indonesian property market may adversely affect our profitability.

Our urban development, large scale integrated development and retail malls business units, in particular, face, or may in the future face, competition from local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. Intensified competition between property developers may result in increased costs for land acquisition, oversupply of properties and a slowdown in the approval process for new property developments by the relevant government authorities, all of which may adversely affect our profitability. In Indonesia in the last ten years, there has been an increase in the development of retail commercial property in major cities. We face competition primarily from the largest property developers in Indonesia, including PT Ciputra Development Tbk., PT Summarecon Agung Tbk. and PT Agung Podomoro Land Tbk. Some of our competitors may have access to greater financial resources, greater economies of scale in purchasing and/or lower cost bases, which may give them a competitive advantage. There can be no assurance, however, that our strategies will be effective or that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have a material adverse effect on our business, financial condition and results of operations, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We may not be successful in identifying suitable projects or properties, which may impede our long-term growth.

Our ability to identify suitable projects is fundamental to our business and involves certain risks, including identifying and acquiring appropriate parcels of land, appealing to the tastes of potential tenants and buyers of our properties and responding to their requirements and anticipating the changing property, commercial and retail trends in Indonesia. In identifying and planning new projects, we also take into account land use regulations, proximity to resources such as water and electricity and the availability of third parties such as architects, surveyors, engineers and contractors. We may not be successful in identifying suitable projects or properties that meet the demands of prospective tenants and buyers. Such failure could lead to a reduction in profits and in the number of projects we undertake which would in turn, impede our growth.

We are dependent on the quality of our title to properties in our landbank and our ability to renew or extend these titles.

We seek to obtain HGB title, which gives the holder of such title the right to build and own buildings on a plot of land (see "Regulation"), together with rights of development by way of license over the land which we acquire for our property development activities. Due to the immature nature of Indonesian property law and the lack of a uniform title system in Indonesia, there is potential for disputes over the quality of title purchased from previous landowners. In addition, we must negotiate each time we acquire land as a license-holder with the actual owner of the land, which may result in purchases of property (and thereby the obtaining of title to the relevant land) being delayed or not proceeding in the event that negotiations are unsuccessful. Such delays in acquiring properties required for our development activities could negatively affect our business, financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Once HGB title has been obtained, we may make an application to extend the term. Upon fulfilling certain requirements, including the requirement to use the land for the purpose for which HGB title was originally granted, we can apply for extension or renewal (as applicable) of the HGB title two years prior to the expiration of the initial or extended term. Although currently Indonesian land law does not provide a limitation on the number of extensions and renewal cycles for HGB titles, and the typical initial term for HGB title is 30 years, with a maximum extension period of 20 years, there is no assurance that approval will be obtained for renewal or extension in the future. Non-renewal of HGB title, for any reason, could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

We are dependent on regional governments to renew and uphold certain of our agreements.

The continuation of certain of our agreements is dependent on renewal by regional governments. For example, we operate the Aryaduta Hotel Pekanbaru pursuant to *Perjanjian Kerjasama* no. 55 dated September 17, 1993, as amended ("**BOT Agreement**") between us and the relevant local government. The BOT Agreement grants us the right to build and operate the hotel, but it does not amount to legal title to the underlying land. The term of the BOT is for 25 years with an option to renew for another ten years, but there is no assurance that the regional government will agree to renew the BOT Agreement and such non-renewal could adversely affect our operations and financial condition.

Additionally, if the regional government transfers the land over which our hotel is built to a third-party, there can be no assurance that the transferee will recognize our rights under the BOT Agreement. In such circumstances, we may be required to transfer the operation of the hotel to the transferee and this may have a material adverse effect on our business, reputation, financial condition and results of operations.

Our business is subject to extensive Government regulation.

The real estate industry in Indonesia is heavily regulated by the central and regional governments. Real estate developers must comply with a number of requirements mandated by Indonesian laws and regulations. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licenses from the relevant administrative authorities at various stages of project development. We may encounter problems in obtaining the requisite approvals or licenses or delays in fulfilling the conditions precedent to any required approvals and we may not be able to fully comply with new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. There may also be delays on the part of administrative bodies in reviewing applications and granting approvals. If we experience significant problems in obtaining, or fail to obtain, the requisite governmental approvals, the schedule of development and sale or letting of our projects could be substantially disrupted, which in turn could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Although we believe that our projects are in material compliance with applicable laws and regulations, regulatory authorities may nevertheless allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings. In addition, property laws and regulations and their interpretations are still evolving in Indonesia and it is not possible to predict accurately the effect that changes in these laws and regulations, or their interpretations may have upon our business. For instance, in January 2011, the Government issued Law No. 1 of 2011 on Housing and Settlement Areas ("Law No. 1/2011"), which prohibits property developers from selling land lots within a housing area without houses constructed on them, unless at least 25% of the housing area has been completed and there is a national monetary crisis affecting the liquidity of the property developer (the "**Land Sale Requirement**"). Law No. 1/2011 also imposes a requirement, among others, for property developers to complete at least 20% of the development of the houses in the residential area (including the infrastructure and public utilities in the housing area) before any preliminary sale and purchase agreement of property may be entered into and before the developer may collect more than 80% of the selling price from the purchaser (the "**Preliminary S&P Requirement**"). There is uncertainty surrounding the interpretation of Law No. 1/2011, including whether it applies to non-residential properties and how the minimum built-up thresholds are interpreted. The potential enforcement of the Preliminary S&P Requirement and the Land Sale Requirement under Law No. 1/2011 in the future exposes us to the risk of not having complied with the relevant requirements prior to sale of land lots or entering into preliminary sale and purchase agreements. As a result, we may be subject to administrative sanctions, penalties, and/or imprisonment for non-compliance, which may materially and adversely affect our business, results of operations and reputation. Law No. 1/2011 is effective immediately on its enactment date, but further implementing regulations are required for the enforcement of the law. The State Minister of Public Housing has issued certain implementing regulations for the Law on Housing, which relate to: (i) Guidelines of Infrastructure, Facilities and Public Utilities for Housing and Settlement Areas (Minister Regulation No. 20 of 2011 dated October 6, 2011), (ii) Housing and Settlement Areas Balanced Housing (Minister Regulation No. 10 of 2012, as amended by Minister Regulation No. 7 of 2013); (iii) Housing Procurement Support for Low Income People (Minister Regulation No. 21/PRT/M/2016 as lastly amended by Minister Regulation No. 26/PRT/M/2016; (iv) Guidelines of Infrastructure, Facilities and Public Utilities for Public Housing (Minister Regulation No. 38/PRT/M/2015); and (v) Stimulant Support for the Non-Government Housing (*Perumahan Swadaya*) (Minister Regulation No. 13/PRT/M/2016).

In addition, while property laws and regulations are not always enforced, regulators could decide to become more stringent and enforce them in a more rigorous manner. If laws and regulations, or their interpretations, or their enforcement, become more stringent, the costs incurred to ensure compliance could increase. There can be no assurance that future regulatory changes affecting the property industry in Indonesia will not be introduced or unexpectedly repealed which might have a significant impact upon our business, financial condition, results of operations and prospects.

Our properties or parts thereof may be acquired compulsorily by the Government.

There is no assurance that we can maintain the title of land on which our business unit developments are built. Based on the Basic Agrarian Law No. 5 of 1960, which is further regulated by Law No. 2/2012, any land rights can be revoked by the Government for the interest of the public as well as of the nation, the state or in the collective interest of the people for the purpose of national defense and security, power plants, telecommunication and information networks of the Government, landfills and waste treatment sites, hospitals, offices, education infrastructure and schools of the Government or regional government, and other purposes stipulated under Law No. 2/2012. If title to a parcel of land was revoked pursuant to this law, we would be provided compensation in accordance with the prevailing laws and regulations. However, there is no assurance that compensation will be commensurate to the adverse effect on our business and financial condition, or that we will be able to find additional land at commercially acceptable prices. See “Regulation — Land Ownership and Acquisition Regulation”.

Our business is dependent on our ability to obtain, maintain and renew all necessary licenses and approvals.

Our business units are required to possess various licenses or approvals from the Government or the local government to carry out its operations, including, among others, general corporate licenses, foreign investment licenses, environmental permits business licenses and operating licenses such as *Izin Usaha Perdagangan* (SIUP) (Business Trade License), *Izin Usaha Pusat Perbelanjaan* (IUPP) (business license for shopping centers), *Tanda Daftar Usaha Pariwisata* (TDUP) (business license for hotels), Hospital Business Licenses, Trade Business Licenses (*Surat Izin Usaha Perdagangan*), Building Construction Permits (*Izin Mendirikan Bangunan*), Building Worthiness Certificates (*Sertifikat Laik Fungsi*) and land utilization permits. We must renew all licenses and approvals as they expire, as well as obtain new licenses and approvals whenever required. We are currently in the process of applying for or extending necessary business licenses or permits for some business units, as some of our developments, hospitals, hotels and retail malls do not currently possess all necessary business licenses and/or permits for carrying out their operations. Failure to obtain all necessary business licenses and/or permits may expose us to sanctions such as temporary closure of the relevant operations, fines, imprisonment or other administrative sanctions. For example, one of our malls in Jakarta was recently closed by the Governor of Jakarta due to the non-possession of a Building Worthiness Certificate. See “Business — Material Licenses”.

Further, there can be no assurance that we or our subsidiaries will be able to secure any necessary license that has not been obtained and is currently in progress or any licenses that may be required in the future, or that we will not receive sanctions arising from the failure to obtain any necessary licenses. Exposure to sanctions under applicable laws and regulation could materially affect our financial condition and results of operations. If any of our business units fails to obtain, maintain or renew the licenses or approvals required by the central government or the local government to conduct its operations, our business, reputation, financial condition, results of operations and prospects could also be materially adversely affected.

Currency fluctuations could materially adversely affect our financial condition and results of operations.

We are exposed to fluctuations in the value of Rupiah against other foreign currencies, especially U.S. dollars. Gains or losses on foreign exchange have affected and will continue to affect our net income. For purposes of preparing our consolidated financial statements, the accounts of foreign subsidiaries are translated into Rupiah (our reporting currency) at each balance sheet date. The differences resulting from such foreign exchange translations of financial statements of subsidiaries which we consider to be an integral part of us are debited or credited as gain or losses on foreign exchange in our consolidated financial statements. For example, net foreign exchange gain amounted to Rp396.7 billion in 2014 and Rp142.9 billion in the six months ended June 30, 2016, respectively, while net exchange loss amounted to Rp33.0 billion and Rp154.8 billion in 2013 and 2015, respectively. The Rupiah continues to experience significant volatility which could materially and adversely affect our financial condition and results of operations. See "Exchange Rates and Exchange Controls" for further information on changes in the value of the Rupiah as measured against the U.S. dollar in recent periods.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. We cannot assure you that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Any of the foregoing consequences could have a material adverse effect on our business, reputation, financial condition, results of operations and prospects.

Loss of anchor tenants could directly and indirectly reduce our future cash flow.

Each of our retail malls has anchor tenants such as PT Matahari Putra Prima Tbk. (which is owned by our affiliates — see "Related Party Transactions"). Our ability to sell any unsold or lease vacant retail units and the value of such units in these retail malls could be adversely affected by the loss of an anchor tenant in the event such anchor tenant files for bankruptcy or insolvency or experiences a downturn in its business.

Vacancy by an anchor tenant can reduce the demand for and value of other retail units in the retail mall because of the loss of the customer drawing power previously enjoyed by the departed anchor tenant. In addition, as most of our anchor retailers are related to us and each other, the risk of such loss is concentrated and could affect all of our retail malls if it occurred. In addition, PT Matahari Putra Prima Tbk. sold its 90.76% stake in PT Matahari Department Store Tbk to a joint venture established with CVC Capital Partners Ltd in 2010. There can be no assurance in the future that CVC Capital Partners Ltd. will continue to operate its stores in our developments. Any of these events could affect our business, financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Downturns in the retailing industry will likely have a direct impact on our revenues and cash flow.

Historically we developed our retail and commercial projects on a strata-titled basis. More recently and in the future, we intend to develop more retail and commercial centers on a leasehold basis, whereby we retain title to the developed property and lease retail and commercial space to tenants. As such, our financial performance will be linked to economic conditions in the Indonesian property market for retail space generally. The demand for Indonesian retail space has historically been, and could be in the future, adversely affected by any of the following:

- a weakness in the national, regional and local economies;
- the adverse financial condition of some large retailing companies;
- ongoing consolidation in the retail sector in Indonesia;
- the excess amount of retail space in a number of Indonesian regional markets;
- an increase in consumer purchases through catalogs or the Internet and reduction in the demand for tenants to occupy our shopping centers as a result of the Internet and e-commerce;

- the timing and costs associated with property improvements and rentals;
- any changes in taxation and zoning laws; and
- adverse government regulation.

To the extent that any of these factors occur, they are likely to impact market rents for retail space and our financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We could incur significant costs related to environmental matters.

We are subject to various Indonesian laws and regulations relating to the protection of the environment that may require a current or previous owner of real estate to investigate and clean-up hazardous or toxic substances at a property. Under these laws, owners and operators of real estate may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial.

Environmental laws may also impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions.

Existing environmental reports with respect to any of our properties may not reveal (i) all environmental liabilities, (ii) whether any prior owner or operator of our properties created any material environmental condition not known to us or (iii) whether a material environmental condition otherwise exists as to any one or more of our properties. Material environmental conditions, liabilities or compliance concerns may also arise after the review has been completed or in the future. Moreover, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability. We may be subject to liabilities or penalties relating to environmental matters which could adversely affect our business, financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We are subject to third-party litigation risk which could result in significant liabilities and damage our reputation.

As a manager of REITs and as a property manager, we are exposed to the risk of litigation by investors of the REITs we manage if our management is alleged to constitute fraud, negligence, willful default, a breach of applicable laws or regulations or a breach of the trust deed or other constitutive documents or the management and other agreements under which we provide our management services. Investors could sue us to recover amounts lost by the REITs we manage due to our alleged misconduct, up to the entire amount of the loss. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of the REITs we manage. We are exposed to risks of litigation or investigation relating to transactions where potential conflicts of interest have not been properly addressed. In such actions, we may be obliged to bear legal, settlement and other costs, which may be in excess of available insurance coverage. As a property manager, we are also exposed to the risk of disputes with our tenants in relation to lease agreements and property owners in relation to management agreements. Where such disputes cannot be settled amicably between the parties, they may progress to litigation If we are required to bear all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from the REITs we manage, this may have a material adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO INDONESIA

The Company is incorporated in Indonesia and substantially all of its assets and operations are located in Indonesia. As a result, future political, economic, legal and social conditions in Indonesia, as well as certain actions and policies that the Government may, or may not, take or adopt could materially and adversely affect its business, financial condition, results of operations and prospects and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Political and social instability in Indonesia may adversely affect us.

Since the collapse of President Soeharto's regime in 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. In 1999, Indonesia successfully conducted its first free elections for parliament and president. As a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia's changing political landscape. Indonesia also has many political parties, without any one party winning a clear majority to date. These events have resulted in political instability, as well as general social and civil unrest on certain occasions in recent years.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Wahid, former President Megawati, and current President Yudhoyono as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy and the American-led military campaigns in Afghanistan and Iraq. Although these demonstrations were generally peaceful, some turned violent. In June 2001, demonstrations and strikes affected at least 19 cities after the Government mandated a 30% increase in fuel prices. Similar demonstrations occurred in January 2003, when the Government again tried to increase fuel prices, as well as electricity rates and telephone charges. In both instances, the Government was forced to drop or substantially reduce the proposed increases. In March 2005, the Government implemented an approximately 29% increase in fuel prices. In October 2005, the Government terminated fuel subsidies on premium and regular gasoline and decreased fuel subsidies on diesel which resulted in increases in fuel prices of approximately 87.5%, 104.8% and 185.7% for premium gasoline, regular gasoline and diesel fuel, respectively. In response, several non-violent mass protests were organized in opposition to the increases in domestic fuel prices, and political tensions have resulted from the decision of the Government. In May 2008, the Government further decreased fuel subsidies to the public, which led to public demonstrations. Although these demonstrations were generally peaceful, some have turned violent. There can be no assurance that this situation or future sources of discontent will not lead to further political and social instability.

Separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been clashes between supporters of those separatist movements and the Indonesian military. In Papua, continued activity by separatist rebels has led to violent incidents. In recent years, the Government has made progress in negotiations with these troubled regions with limited success, except in the province of Aceh in which an agreement between the Government and the Aceh separatists was reached in 2005 and peaceful local elections were held with some former separatists as candidates.

In 2004, Indonesians directly elected the President, Vice-President and representatives in the Indonesian Parliament for the first time. Indonesians have also begun directly electing heads and representatives of local and regional governments. It is likely that increased electoral activity will be accompanied by increased political activity in Indonesia.

Political and related social developments in Indonesia have been unpredictable in the past. Social and civil disturbances could directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Indonesia is located in an earthquake zone and is subject to significant geological risk that could lead to social unrest and economic loss.

The Indonesian archipelago is one of the most volcanically active regions in the world. Because Indonesia is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. On December 26, 2004, an underwater earthquake off the coast of the northern part of Sumatra caused a tsunami that devastated coastal communities in Indonesia, Thailand, India and Sri Lanka. In Indonesia, more than 220,000 people died or were recorded as missing in the disaster and caused billions of U.S. dollars in damages. Aftershocks from the December 2004 tsunami also claimed further casualties, leaving tens of thousands homeless and hundreds more dead. There have been further earthquakes, including those in Yogyakarta, Java, Sulawesi, Manokwari and Padang, throughout 2006 to 2009, many of them leaving people dead or homeless. More recently, on October 25, 2010, an earthquake of magnitude 7.7 on the Richter scale struck the Mentawai Islands, off the coast of West Sumatra, which then triggered a tsunami, killing over 450 people. Starting on October 26, 2010, a series of eruptions of Mount Merapi, a volcano located on Java, killed over 300 people. Volcanic ash from the eruptions caused flight disruptions in certain cities in Indonesia, including Jakarta, affecting domestic and international flights.

In addition to these geological events, heavy rains in December 2006 resulted in floods that killed more than 100 people and displaced over 400,000 people on the northwestern Sumatra island. More flooding in January and February 2007 around the capital, Jakarta, killed at least 30 people and displaced at least 340,000 from their homes. In July 2007, at least seven people were killed and at least 16,000 people were forced to flee their homes because of floods and landslides caused by torrential rains on the island of Sulawesi. In January 2009, torrential rain caused a colonial-era dam to burst outside Jakarta, sending a wall of muddy water crashing into a densely packed neighborhood and killing at least 58 people. The flood also left scores missing and submerged hundreds of homes. In October 2010, at least 158 people died and 148 people were declared missing in a flash flood in Wasior district, West Papua. More recently, in the early parts of 2013 and 2014, floods in Jakarta resulted in disruptions to businesses and extensive evacuations in the city.

While these events did not have a significant economic impact on Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. Most of these costs have been underwritten by foreign governments and international aid agencies. However, such aid may not continue to be forthcoming, and may not be delivered to recipients on a timely basis. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to strain the Government's finances and may affect its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could trigger an event of default under numerous private-sector borrowings including ours, thereby materially and adversely affecting our business financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Future geological occurrences could significantly impact the Indonesian economy. A significant earthquake or other geological disturbance in any of Indonesia's more populated cities could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our business.

Terrorist attacks, including those on the United States on September 11, 2001, the United Kingdom on July 7, 2005, in Jakarta on July 17, 2009 and Paris on November 13, 2015, together with the military response to the September 11 attacks, and continuing military activities in Iraq and Afghanistan have resulted in substantial and continuing economic volatility and social unrest in the world. Terrorist attacks in Southeast Asia have exacerbated this volatility. In Indonesia during the last several years and as recently as January 14, 2016, there have been various bombing incidents directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, including the Jakarta Stock Exchange Building and hotels in Jakarta, which have killed and injured a significant number of people. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response or any further terrorist activities could also materially and adversely affect international financial markets and the Indonesian economy.

There can be no assurance that further terrorist acts will not occur in the future. Following the military involvement of the United States and its allies in Iraq, a number of governments have issued warnings to their citizens in relation to a perceived increase in the possibility of terrorist activities in Indonesia, targeting foreign, particularly U.S., interests. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn our business. Terrorist acts may also affect travel patterns and reduce the number of business and commercial travelers and tourism in Indonesia and Southeast Asia. This may lead to a reduction in occupancy and leisure related spending at our hotels. Any of the events described above, including damage to our infrastructure or that of our suppliers and customers, could interrupt parts of our business and materially and adversely affect our financial condition, results of operations and prospects.

Any outbreak of infectious disease, or fear of an outbreak, or any other serious public health concerns in Asia (including Indonesia) or elsewhere may have an adverse effect on the economies of certain Asian countries and may adversely affect us.

The outbreak of an infectious disease in Asia (including Indonesia) or elsewhere or fear of an outbreak, together with any resulting travel restrictions or quarantines, could have a negative impact on the economy and business activity in Indonesia and thereby adversely affect impact our revenue. Examples are the outbreak in 2003 of SARS and outbreak in 2004 and 2005 of avian flu, in Asia. No fully effective avian flu vaccines have been developed and an effective vaccine may not be discovered in time to protect against the potential avian flu pandemic.

More recently, in April 2009, there has been an outbreak of the swine flu which originated in Mexico but has since spread globally including confirmed reports in Indonesia, Hong Kong, Japan, Malaysia, Singapore, and elsewhere in Asia. Swine flu is believed to be highly contagious and may not be easily contained.

An outbreak of avian flu, SARS, swine flu, the H7N9 virus or another contagious disease or the measures taken by the governments of affected countries, including Indonesia, against such potential outbreaks, could seriously interrupt our operations or the services or operations of our suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The perception that an outbreak of avian flu, SARS, swine flu, the H7N9 virus or another contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

Regional autonomy may adversely affect our business through imposition of local restrictions, taxes and levies.

Indonesia is a large and diverse nation covering a multitude of ethnicities, languages, traditions and customs. During the administration of the former President Soeharto, the Government controlled and exercised decision-making authorities on almost all aspects of national and regional administration, including the allocation of revenues generated from extraction of national resources in the various regions. This control led to a demand for greater regional autonomy, in particular with respect to the management of local economic and financial resources. In response to such demand, the Indonesian Parliament in 1999 passed Law No. 22 of 1999 on Regional Autonomy ("**Law No. 22/1999**") and Law No. 25 of 1999 on Fiscal Balance between the Central and the Regional Governments ("**Law No. 25/1999**"). Law No. 22/1999 has been revoked by Law No 23 of 2014, which was further amended by the Law No. 2 of 2015 and Law No. 9 of 2015 on Regional Autonomy. Law No. 25/1999 has been revoked and replaced by Law No. 33 of 2004 on the Fiscal Balance between the Central and the Regional Governments, respectively. Under these regional autonomy laws, regional autonomy was expected to give the regional governments greater powers and responsibilities over the use of "national assets" and to create a balanced and equitable financial relationship between central and regional governments. However, under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the Government. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

Labor laws and regulations in Indonesia and labor unrest may materially adversely affect our results of operations.

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 regarding Labor Union (the "**Labor Union Law**"). The Labor Union Law permits employees to form unions without intervention from an employer, the government, a political party or any other party. On February 25, 2003, a committee of the Indonesian parliament, the House of Representatives, *Dewan Perwakilan Rakyat* ("**DPR**") passed Law No. 13 of 2003 on Employment (the "**Labor Law**") which, among other things, increased the amount of severance, service and compensation payments payable to employees upon termination of employment. The Labor Law took effect on March 25, 2003 and requires further implementation of regulations that may substantively affect labor relations in Indonesia. Under the Labor Law, employees who voluntarily resign are also entitled to payments for, among other things, (i) unclaimed annual leave, (ii) relocation expenses (if any), (iii) severance pay, and (iv) certain other expenses. The Labor Law requires companies with 50 or more employees establish bipartite forums with participation from employers and employees and the participation of more than half of the employees of a company in order for a collective labor agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including (i) the procedures for termination of employment of an employee who commits a serious mistake, (ii) criminal sanctions against an employee who instigates or participates in an illegal labor strike whether in the form of imprisonment or monetary penalty, (iii) for labor unions in companies which have more than one labor union, the need for more than 50% employee representation before such labor unions are eligible to conduct negotiations with the employer, and (iv) the ability to have outsourcing arrangements with fixed term employment contracts that do not contain provisions that protect outsourced employees upon the replacement of the outsourcing company, in which case the Company may not be able to rely on certain provisions of the Labor Law.

Labor unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, financial condition, results of operations and prospects, and the Issuer's ability to pay interest on, and repay the principal of, the Notes.

In addition, the Labor Law prohibits an employer from paying an employee below the minimum wage stipulated annually by the provincial or regional/city government. The minimum wage is generally determined according to the need for a decent living standard and taking into consideration the productivity and growth of economy. However, there are no specific provisions as to how to determine the amount of a minimum wage increase. For example, in January 2015, the provincial government of DKI Jakarta, through the Governor of DKI Jakarta Province Regulation No. 176 of 2014, increased the minimum wage of DKI Jakarta province for 2015 from Rp2,441,000 per month to Rp2,700,000 per month, which was increased to Rp3,100,000 per month starting from January 1, 2016 as regulated under the Governor of DKI Jakarta Province Regulation No. 230 of 2015. Any increase in minimum wage in Indonesia could have a material adverse effect on the Company's business, cash flows, financial condition and prospects.

Indonesian accounting standards differ from those in other jurisdictions.

We prepare our financial statements in accordance with Indonesian FAS, which differs from IFRS. As a result, our financial statements and reported earnings could be significantly different from those that would be reported under IFRS. This Offering Circular does not contain a reconciliation of our financial statements to IFRS, and there can be no assurance that such reconciliation would not reveal material differences. See "Summary of Certain Differences between Indonesian FAS and IFRS" for a summary of certain principal accounting differences that may be applicable to us.

Regional or global economic challenges may materially and adversely affect the Indonesian economy and our business.

The Asian economic crisis, which began in 1997, had a significant adverse impact on Indonesia causing significant depreciation in the value of the Rupiah and depletion of Indonesia's currency reserves, among other adverse changes. The economic crisis resulted in the failure of many Indonesian companies to repay their debts when due. These conditions had a material adverse effect on Indonesian business, including our business and financial condition. Indonesia entered a recessionary phase with relatively low levels of growth between 1999 to 2002, although rate of growth has increased in recent years.

The Asian economic crisis caused the Government to turn to the International Monetary Fund ("**IMF**") for financial assistance and, in October 1997, the IMF agreed to provide relief contingent upon the implementation of economic reforms, such as the Government undertaking asset sales and abolishing subsidies for commodities and other consumer products. Indonesia left the IMF-supported program at the end of 2003. The World Bank has also been an important source of funding for the Government which has received assistance from the World Bank since late 1997. The World Bank's 2001 base target for lending in Indonesia was US$1.3 billion, but this amount was subsequently reduced due to the slow pace of institutional reforms in Indonesia as well as concern that the Government's decentralization plan, and particularly empowerment of provincial governments to borrow, could adversely affect the Government's ability to service its debts. In December 2003, the World Bank approved an Indonesian lending program from 2004 to 2007 ranging from US$450 million to US$850 million per year. As of December 31, 2015, total external indebtedness of the Government and private sector companies in Indonesia amounted to US$310.7 billion, which was approximately 27% of Indonesia's GDP for that year.

Although the policy rate set by Bank Indonesia was 7.5% in December 2015, as compared to a peak of 70.8% in late July 1998 for one-month Bank of Indonesia certificates, there can be no assurance that the recent improvement in economic condition will continue or the previous adverse economic condition in Indonesia and the rest of the Asia Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the international and Indonesian financial markets and inhibit or reverse the growth of the global economy and the Indonesian economy. Any such increased volatility, slowdown or negative growth could materially and adversely affect our business, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes. In addition, the absence of funding from the IMF, World Bank or similar agencies or creditor support for debt rescheduling, the Government may not be able to secure alternative funding and may default on its payment obligations, which may result in an economic crisis. Funding restrictions may also result in the Government being unable to fund subsidies for staples such as food and fuel which, in turn, could have serious social, economic and political consequences. These may in turn have a material adverse impact on our business and the value of the Notes. The Government may, in connection with future agreements with the World Bank or other lenders, undertake additional economic or structural initiatives the effects of which are presently unknown.

Indonesia's economy remains significantly affected by the recent global economic crisis that began in 2008. The global financial markets have experienced, and may continue to experience, significant turbulence originating from the liquidity shortfalls in the U.S. credit and sub-prime residential mortgage markets since 2008, which have caused liquidity problems resulting in bankruptcy for many institutions, and resulted in major government bailout packages for banks and other institutions. In addition, in 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these European nations to continue to service their sovereign debt obligations. These conditions impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many European nations. Certain European nations continue to experience varying degrees of financial stress, and yields on government-issued bonds in Greece, Ireland, Italy, Portugal and Spain have risen and remain volatile. Despite assistance packages to Greece, Ireland and Portugal, the creation of a joint European Union- International Monetary Fund European Financial Stability Facility in May 2010, and other European Union actions aimed at addressing the financial challenges, uncertainty over the outcome of the European Union governments' financial support programs and worries about sovereign finances have persisted.

The global crisis has also resulted in a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in the value of global stock markets, a slowdown in global economic growth and a drop in demand of certain commodities. The current global economic situation could further deteriorate or have a greater impact on Indonesia and our business. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects, and on the Issuer's ability to pay interest on, and repay the principal of, the Notes.

We are subject to corporate disclosure and reporting requirements that differ from those in other countries.

We are subject to corporate governance and reporting requirements in Indonesia that differ, in significant respects, from those applicable to companies in certain other countries. The amount of information made publicly available by issuers in Indonesia may be less than that made publicly available by comparable companies in certain more developed countries, and certain statistical and financial information of a type typically published by companies in certain more developed countries may not be available. As a result, investors may not have access to the same level and type of disclosure as that available in other countries, and comparisons with other companies in other countries may not be possible in all respects.

Downgrades of the credit ratings of Indonesia and Indonesian companies could materially and adversely affect us and the market price of the Notes.

In 1997, certain recognized rating agencies, including Moody's and Standard & Poor's, downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Government and a large number of Indonesian banks and other companies. As of the date of this Offering Circular, Indonesia's sovereign foreign currency long-term debt is rated "Baa3" by Moody's, "BB+" by Standard & Poor's and "BBB-" by Fitch, and its short-term foreign currency debt is rated "P-3" by Moody's, "B" by Standard & Poor's and "F3" by Fitch with a stable outlook from Moody's, a positive outlook from Standard & Poor's and a stable outlook from Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

Moody's, Standard & Poor's, Fitch or any other rating agencies may downgrade the credit ratings of Indonesia or Indonesian companies. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on us.

The Singapore-Indonesia tax treaty may be applied in a manner adverse to the interests of the Company.

The Indonesian tax rules generally require a 20.0% tax to be withheld on the payment of a dividend or interest from an Indonesian taxpayer to an offshore tax resident. Under the double tax treaty between Singapore and Indonesia (the "**Singapore-Indonesia Tax Treaty**"), the rate of withholding tax is reduced to 10.0% on the payment of interest to a Singapore tax resident which is the beneficial owner of this payment. The reduced rate is available to a Singapore company only if the company submits an original copy of the certificate of residence (also known as the "DGT Form 1") to the Indonesian taxpayer prior to the payment of the income. On November 5, 2009, the Directorate General of Taxation in Indonesia issued two relevant tax regulations (Directorate General of Tax Regulations No. PER-61/PJ/2009 as amended by Directorate General of Tax Regulation No. PER-24/PJ/2010 regarding application procedure of double taxation treaties dated April 30, 2010 and PER-62/PJ/2009 as amended by Directorate General of Tax Regulation No. PER-25/PJ/2010 regarding prevention of abuse of tax treaties dated April 30, 2010) indicating that the benefits of Indonesia's double tax treaties would not be available to a recipient of Indonesian-sourced income that was not the beneficial owner of such income. The tax regulations further elaborated that a special purpose vehicle which is a "conduit company", "paper box company", "pass through company", or any similar form of entity would not qualify as the beneficial owner of payments received by it.

Under Singapore income tax law, the Issuer and Kemang would be considered tax residents in Singapore if the control and management of their business is exercised in Singapore. As a general rule, the place where a company's control and management is exercised and hence the tax residence of the company is the place where the directors of the company hold their meetings, makes its decisions, or the place where the actions to be taken by the entity as a whole are determined. The board of directors of both the Issuer and Kemang will endeavor to ensure that the control and management of each of the Issuer and Kemang is exercised in Singapore so that each would be considered a tax resident of Singapore. Kemang would receive payments under any Intercompany Loan or through other funding methods from the Company and/or the Subsidiary Guarantors. Kemang acts as an active group financing company for which purpose it intends to employ a number of qualified staff members to run its operations. Kemang may in the future undertake a wide range of group financing activities. The Issuer is the beneficial owner of the shares in Kemang. However, it remains uncertain as to whether the Indonesian tax authorities will view Kemang as the beneficial owner of the interest under the Intercompany Loan or other funding methods. In the event that Kemang is not so classified, payments of interest under the Intercompany Loans or other funding methods may not have the benefit of the Singapore-Indonesia Tax Treaty, and the Indonesian tax authorities may challenge whether such interest payments qualify for the withholding reduction provided by the Singapore-Indonesia Tax Treaty. As a result, any such interest payment may be subject to a 20% withholding tax in accordance with the applicable Indonesian tax law. Any late payment of tax will be subject to an interest penalty of 2% per month.

In the event that the 10% withholding tax rate does not apply, or in the event that the Guarantors make interest payments under the Guarantees, the statutory 20% withholding tax rate would apply. In such a scenario, under the terms of the Notes, the Issuer or the applicable Guarantor would, subject to certain exceptions, be required to pay such additional amounts as will result in receipt by the Holder of such amounts as would have been received by such Holder had no such withholding or deduction been required. The requirement to pay additional amounts will increase the cost of servicing interest payments on the Notes, could impose a significant burden on the Company's cash flows and could have a material adverse effect on the Company's financial condition and results of operations, and the Issuer's ability to pay interest on, and repay the principal amount of, the Notes.

RISKS RELATING TO THE NOTES AND THE GUARANTEES

An Indonesian court has limited certain rights of the trustee, acting on behalf of the holders of U.S. dollar bonds, in relation to the parent guarantor, in a decision that affected the holders' rights and the terms of the bonds in connection with a debt restructuring of the parent guarantor.

On December 8, 2014, the Supervisory Judge in proceedings before the Commercial Court of the Central Jakarta District Court determined that noteholders were not creditors of PT Bakrie Telecom Tbk ("**Bakrie Tel**") for purposes of its court-supervised debt restructuring, known as a PKPU (the "**Bakrie Tel PKPU**"). Bakrie Tel, an

Indonesian telecommunications company, was the guarantor of US$380 million of senior notes issued in 2010 and 2011 by a Singapore-incorporated special purpose vehicle that is a subsidiary of Bakrie Tel. The proceeds from the offering of the notes were on-lent to Bakrie Tel pursuant to an intercompany loan agreement, which was guaranteed by Bakrie Tel and assigned to the noteholders as collateral. In its decision affirming its debt restructuring composition plan, the Commercial Court accepted the Supervisory Judge's determination that the relevant creditor of Bakrie Tel in respect of the US$380 million notes was the issuer's subsidiary, rather than the noteholders or the trustee, and gave no effect to the guarantee. As such, only the intercompany loan was recognized by the Commercial Court as indebtedness on which Bakrie Tel was liable for purposes of the Bakrie Tel PKPU. As a result, only the issuer's subsidiary had standing as a Bakrie Tel creditor to vote in the Bakrie Tel PKPU proceedings, whereby terms of the U.S. dollar bonds and the guarantee were substantially altered.

Similar to the Bakrie Tel PKPU case, an Indonesian company, PT Trikomsel Oke Tbk ("Trikomsel"), in early 2016 entered into a suspension of payment obligation (PKPU) under the Indonesia bankruptcy law regime. The PKPU administrators were reported to have rejected claims that arose from holders of their two Singaporean Dollar bonds and took the position that the trustees under such bonds did not have any standing to make claims on behalf of bondholders. Further, they asserted that only individual bondholders that had filed claims on their own would be able to participate in the PKPU proceedings and be permitted to vote on any restructuring plan. On September 28, 2016, the PKPU process was settled between Trikomsel and its creditors through the establishment of a composition plan (*rencana perdamaian*), which was approved by certain bondholders and subsequently ratified by the Jakarta Commercial Court. Based on an announcement from Trikomsel on October 5, 2016, under the approved composition plan, the bondholders of the two of Singapore Dollar bonds may be required to exchange their notes into new shares to be issued by Trikomsel, thereby extinguishing the bonds.

It may be difficult or impossible for Noteholders to enforce all of their rights under a guarantee provided by an Indonesian guarantor such as the Parent Guarantor, including but not limited to being able to vote in court-supervised debt restructuring or bankruptcy proceedings in Indonesia. Further, no assurance can be given that the Indonesian courts will recognize all or part of a guarantee provided by an Indonesian guarantor in these proceedings. Indonesia's legal system is a civil law system based on written statutes in which judicial and administrative decisions do not constitute binding precedent and are not systematically published and Indonesian judges have very broad fact-finding powers and a high level of discretion with respect to the manner in which those powers are exercised, and may be guided less by legal principles and precedent than would their counterparts in other jurisdictions.

Through the purchase of the Notes, the noteholders may be exposed to a legal system subject to considerable discretion and uncertainty; it may be difficult or impossible for noteholders to pursue claims under the Notes or the Guarantees.

Indonesian legal principles relating to the rights of debtors and creditors, or their practical implementation by Indonesian courts, may differ materially from those that would apply in other jurisdictions. Neither the rights of debtors nor the rights of creditors under Indonesian law are as clearly established or recognized as under legislation or judicial precedent in other jurisdictions. In addition, under Indonesian law, debtors may have rights and defenses to actions filed by creditors that such debtors would not have in other jurisdictions.

Indonesia's legal system is a civil law system based on written statutes; judicial and administrative decisions do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws as well as rules on judicial process were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts are often unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian laws in large part depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges, who operate in an inquisitorial legal system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty. Furthermore, corruption in the court system in Indonesia has been widely reported in publicly available sources.

In addition, under the Indonesian Civil Code, although a guarantor may waive its right to require the obligee to exhaust its legal remedies against the obligor's assets prior to the obligee exercising its rights under the related guarantee, a guarantor may be able to argue successfully that the guarantor can nonetheless require the obligee to exhaust such remedies before acting against the guarantor. No assurance can be given that an Indonesian court would not side with us on this matter, despite the express waiver by us of this obligation in the Guarantees. Furthermore, on September 2, 2013 the holders of notes represented by the Trustee issued by BLD Investments Pte. Ltd. and guaranteed by PT Bakrieland Development Tbk ("**Bakrieland**"), under a trust deed governed under English law, filed a postponement of debt payment petition with the Jakarta commercial court on grounds including that Bakrieland had failed to comply with its obligation to repay the principal amount of the notes when noteholders exercised their put option under the terms of the notes. In its decision dated September 23, 2013, the commercial court rejected the postponement of debt payment petition on the basis that, among other things, the trust deed relating to the notes is governed by English law, all disputes arising out of or in connection with the trust deed must be settled by English courts and, accordingly, the Jakarta commercial court does not have authority to examine and adjudicate this case.

As a result, it may be difficult for the noteholders to pursue a claim against the Issuer or us in Indonesia, which may adversely affect or eliminate entirely the noteholders' ability to obtain and enforce a judgment against the Issuer or the Guarantors in Indonesia or increase the noteholders' costs of pursuing, and the time required to pursue, claims against the Issuer or the Guarantors.

Indonesian companies have filed suits in Indonesian courts to invalidate transactions with offshore structures and have successfully brought legal action against lenders and other transaction participants. Moreover, such legal action has resulted in judgments against such defendants invalidating all obligations under the applicable debt instruments. Such legal action has also resulted in judgments against defendants in excess of the amounts borrowed.

In several cases in Indonesian courts, Indonesian companies which had defaulted on notes and other debt incurred through offshore financing entities have successfully sued creditors and other transaction participants obtaining, among other relief:

- a declaration that the entire debt obligation is null and void;
- disgorgement of prior payments made to noteholders on the notes;
- damages from lenders and other transaction participants in amounts exceeding the original proceeds of the debt issued; and
- injunctions prohibiting noteholders from enforcing rights under the transaction documents and trading in the notes.

In the June 2006 Decision, the Indonesian Supreme Court affirmed a lower court judgment that invalidated US$500 million of notes issued through an offshore offering structure. The decision involved an Indonesian-listed company, Indah Kiat as plaintiff and various parties as the defendants using a structure similar to this offering of the Notes and Guarantees, whereby notes were issued through Indah Kiat Finance, a Dutch subsidiary which was established for the purpose of the issuance of the Indah Kiat notes, and guaranteed by Indah Kiat. The Indonesian Supreme Court upheld the decisions of a District Court and High Court in Indonesia in favor of Indah Kiat. The Indonesian courts ruled that the defendants (including the trustee, underwriter and security agent for the issuance of the Indah Kiat notes) committed a tort (*perbuatan melawan hukum*), and therefore, the issuance of the notes was declared null and void. The courts nullified the notes by reasoning that the contracts made in relation to the notes were signed without any legal cause, and so did not meet the provision of Article 1320 of the Indonesian Civil Code which requires a legal cause as one of the elements for a valid agreement. The Indonesian courts accepted the plaintiff's argument that Indah Kiat acted both as a debtor and as a guarantor of the same debt even though in the facts of the case, Indah Kiat Finance was the issuer of the notes and Indah Kiat was the guarantor of such notes. The Indonesian courts also ruled that the establishment of Indah Kiat Finance was unlawful as it was intended to avoid Indonesian withholding tax payments.

On August 19, 2008, the Indonesian Supreme Court granted civil review (*peninjauan kembali*) and annulled the June 2006 Decision described above. The Indonesian Supreme Court in its civil review decision stated that Indah Kiat had failed to prove that the transaction was an act of legal manipulation that caused damages to Indah Kiat. Therefore, the Indonesian Supreme Court concluded that the defendants did not commit any unlawful act. Further, the Indonesian Supreme Court maintained that it was clear that the money borrowed by Indah Kiat from Indah Kiat Finance was in fact originated from the issuance of notes, as evidenced in the recitals of the relevant loan agreement, and thus the claim that the whole transaction was a manipulation of law had no merit. Moreover, with regard to the validity and enforceability of the security documents, the civil review stated that the security agreements would prevail as long as the underlying agreements were still valid and binding. On the tax issues, the civil review considered that the Indonesian Supreme Court has misapplied the tax law as it did not prohibit tax saving, and thus the claim relating to tax was annulled. The civil review also stated that for certain New York law governed agreements in the transaction (such as the indenture, the loan agreement, the amended and restated loan agreement and the underwriting agreement), the claim should be brought to the appropriate court in the state of New York.

Despite the decision described above, the Indonesian Supreme Court has taken a contrary view with respect to Lontar Papyrus, a sister corporation of Indah Kiat. Pursuant to a March 2009 Decision by the Indonesian Supreme Court (which was subsequently upheld by the Indonesian Supreme Court at the appellate level), the Indonesian Supreme Court refused a civil review of a judgment by the District Court of Kuala Tungkal, in South Sumatra, which invalidated US$550 million of notes issued by APPC and guaranteed by Lontar Papyrus. Lontar Papyrus' legal arguments in its lower court case were fundamentally the same as those in the earlier cases by Indah Kiat – namely, that, under the notes structure, the plaintiff was acting as both the debtor and guarantor for the same debt and, therefore, the structure was invalid. The Indonesian Supreme Court was of the view that Lontar Papyrus had fully paid its debt to APPC under the relevant loan agreement; therefore, there was no other legal obligation that remained to be fulfilled by Lontar Papyrus, whether in its capacity as debtor under the loan agreement or as guarantor under the indenture. Further, the Supreme Court was of the view that any claim from the noteholders should be addressed to APPC as the issuer and should be pursued separately. The Indonesian Supreme Court did not consider the fact that it was APPC which had defaulted on its payment obligations to the noteholders and that Lontar Papyrus had guaranteed the payment obligation of APPC under the notes. In addition, the Indonesian Supreme Court affirmed the lower court decision that has invalidated all of the transaction documents, including the guarantee.

The Indonesian Supreme Court's refusal to grant a civil review effectively affirmed the lower court's decision to invalidate all of the transaction documents, including Lontar Papyrus's obligations as the guarantor under the notes, and meaning the verdict is now final. The Indonesian Supreme Court's refusal to grant the civil review was based on reasons that the loan agreement between APPC and Lontar Papyrus and the indenture with regard to the issuance of notes required adjustment to observe the prevailing laws and regulations in Indonesia. In addition, the fact that the loan has been paid in full by Lontar Papyrus to APPC under the relevant loan agreement resulted in Lontar Papyrus having no continuing outstanding legal obligation, either as debtor under the relevant loan agreement or as guarantor under the indenture. Lontar Papyrus and Indah Kiat are subsidiaries of Asia Pulp & Paper Company Ltd., and their original court cases against their creditors were filed at approximately the same time. While the lower court decisions in certain of these cases have been ultimately annulled by the Indonesian Supreme Court, as was the case in the August 2008 Decision on the Indah Kiat matter, it appears that the Indonesian Supreme Court has taken a contradictory view on the Lontar Papyrus case.

In the September 2011 Decision, the Indonesian Supreme Court refused a civil review of a decision by the District Court of Bengkalis (whose judgment was the subject of the Indonesian Supreme Court's June 2006 Decision and August 2008 Decision), which invalidated the notes issued by Indah Kiat BV. The facts and legal claims presented by Indah Kiat BV were substantially the same as those made by Indah Kiat in the lower court cases that were the subject of the June 2006 Decision. The September 2011 Decision specifically noted that the Indonesian Supreme Court chose to not consider its August 2008 Decision despite such substantially similar facts and legal claims.

The Indonesian Supreme Court's refusal to grant civil reviews of the lower court decisions in the March 2009 Decision and September 2011 Decision effectively affirmed the lower courts' decisions to invalidate the relevant notes and the issuers' and guarantors' obligations under such notes, and such lower court decisions are now final and not subject to review.

The Indonesian court decisions are not binding precedents and do not constitute a source of law at any level of the judicial hierarchy as would be the case in common law jurisdictions such as the United States and the United Kingdom. This means that while lower courts are not bound by the Indonesian Supreme Court decisions, such decisions have persuasive force. Therefore, there can be no assurance that in the future a court will not issue a similar decision to the September 2011 Decision mentioned above in relation to the validity and enforceability of the Notes and the Guarantees or grant additional relief to the detriment of noteholders, if the Issuer were to contest efforts made by Noteholders to enforce these obligations.

The Trust Deed and certain other documents (other than the Indonesian deeds of corporate guarantee and guarantee) entered into in connection with the issuance of the Notes have been or will also be prepared in Bahasa Indonesia as required under Indonesian Law. However, there can be no assurance that, in the event of inconsistencies between the Bahasa Indonesia and English language versions of these documents, an Indonesian court would hold that the English language versions of such documents would prevail.

Pursuant to Law No. 24/2009, agreements between Indonesian entities and other parties must be set out in Bahasa Indonesia, which is the national language of Indonesia, save that where an agreement also involves a foreign party, such agreement may also be prepared in the language of such foreign party or in the English language.

On July 7, 2014, the Government issued Government Regulation 57/2014 to implement certain provisions of Law No. 24/2009. While this regulation focuses on the promotion and protection of the Indonesian language and literature, it is silent on the question of contractual language, and it reiterates that contracts involving Indonesian parties must be executed in the Indonesian language (although versions in other languages are permitted). As Law No. 24/2009 does not specify any sanctions for non-compliance, we cannot predict how the implementation of Law No. 24/2009 (including its implementing regulation) will impact the validity and enforceability of the Notes in Indonesia, which creates uncertainty as to the ability of Noteholders to enforce the Notes in Indonesia.

Except for the Indonesian deeds of corporate guarantee, which will only be executed in Indonesian language with the English version attached to such deed as reference only, the Trust Deed and certain other documents entered into in connection with the issuance of the Notes have been or will be prepared in dual English and Bahasa Indonesia versions as permitted under Law No. 24/2009 and, pursuant to Law No. 24/2009, each version will be considered equally original. Whilst these documents will expressly state that the Bahasa Indonesia versions are for informational purposes, these can be no assurance that, in the event of inconsistencies between the Bahasa Indonesia and English language versions of these documents, an Indonesian court would hold that the English language versions of such documents would prevail. Some concepts in the English language may not have a corresponding term in Bahasa Indonesia, or may not be fully captured by the Bahasa Indonesia version. If this occurs, these can be no assurance that the terms of the Notes will be as described in the Offering Circular, or will be interpreted and enforced by the Indonesian courts as intended.

In addition, on June 20, 2013, the District Court of West Jakarta ruled in a decision No. 451/Pdt.E/2012/PN.Jkt Bar (the "**June 2013 Decision**") that a loan agreement entered into between an Indonesian borrower, PT Bangun Karya Pratama Lestari, as plaintiff, and a non-Indonesian lender, Nine AM Ltd., as defendant, is null and void under Indonesian law. The governing law of such agreement was Indonesian law and the agreement was written in the English language. The court ruled that the agreement had contravened Article 31(1) of Law No. 24/2009 and declared it to be invalid. In arriving at this conclusion, the court relied on Articles 1320, 1335 and 1337 of the Indonesian Civil Code, which taken together render an agreement void if, *inter alia*, it is tainted by illegality. The court held that as the agreement had not been drafted in the Indonesian language, as required by Article 31(1), it therefore failed to satisfy the "lawful cause" requirement and was void from the outset, meaning that a valid and binding agreement had never existed. On May 7, 2014, the Jakarta High Court rejected the appeal submitted by Nine AM Ltd. and affirmed the District Court of West Jakarta's judgment, that an agreement that was not executed in Bahasa Indonesia is null and void. On March 2, 2015, Nine AM Ltd filed cassation to Supreme Court of Republic of Indonesia, and on its decision dated August 31, 2015, the Supreme Court, through Supreme Court Decision No. 601 K/PDT/2015, rejected that appeal filed by Nine AM Ltd.

Indonesian court decisions are generally not binding precedents and do not constitute a source of law at any level of the judicial hierarchy, as would typically be the case in common law jurisdictions such as the United States and the United Kingdom. However, there can be no assurance that a court will not, in the future, issue a similar decision to the June 2013 Decision in relation to the validity and enforceability of agreements which are made in the English language.

It may not be possible for investors to effect service of process and judgments of a foreign court will not be enforceable against us in Indonesia.

The Company, and each of the other Guarantors, is a limited liability company incorporated in Indonesia and all of the significant assets of these companies are located in Indonesia. In addition, substantially all of the commissioners and directors of these companies reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on these companies or the commissioners and directors of these companies outside Indonesia, or to enforce against these companies or the commissioners and directors of these companies judgments obtained in non-Indonesian courts.

We have been advised by our Indonesian counsel that judgments of non-Indonesian courts are not enforceable in Indonesian courts, although such judgments could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. There is doubt as to whether Indonesian courts will enter judgments in original actions brought in Indonesian courts predicated solely upon the civil liability of jurisdictions other than Indonesia. As a result, Noteholders would be required to pursue claims against these companies or the commissioners and directors of these companies in Indonesian courts. There can be no assurance that the claims or remedies available under Indonesian law will be the same, or as extensive, as those available in other jurisdictions.

The Issuer is a finance company whose only material asset is the share capital of Kemang.

The Trust Deed governing the Notes will prohibit the Issuer from engaging in any activities other than certain limited activities described in "Terms and Conditions of the Notes — Certain Covenants — Limitation on the Activities of the Issuer". There is no direct contractual claim or obligation between the Issuer and the Company and/or the Subsidiary Guarantors in relation to any Intercompany Loan or through any other funding method granted by Kemang to the Company and/or the Subsidiary Guarantors.

As of the date of this Offering Circular, Kemang has no material assets other than any Intercompany Loans granted by Kemang to the Company and/or the Subsidiary Guarantors. Kemang is a Restricted Subsidiary and is subject to all of the covenants applicable to Restricted Subsidiaries. In addition it is subject to certain additional restrictions under the Trust Deed. However, unlike the Issuer, Kemang is permitted to engage in certain activities that could give rise to other obligations that may cause it to be unable to make payments to the Issuer in amounts sufficient for the Issuer to make payments due on the Notes, even if the Company and/or the Subsidiary Guarantors made the required payments to Kemang under an Intercompany Loan. Furthermore, there is no contractual requirement obligating Kemang to pay dividends to the Issuer in order for the Issuer to service payments on the Notes and there can be no assurance that Kemang will make such payments to the Issuer in the ordinary course of business. In any event, payment of dividends by Kemang may only be made out of its profits and there can be no assurance that this condition will be met to allow Kemang to make such dividend payments to the Issuer in the future. In the event that the Issuer does not receive any dividend payments and/or other payments or distributions from Kemang, the Issuer will need to enter into other agreements or loans from the Company and/or the Subsidiary Guarantors to meet its payment obligations under the Notes.

Substantial leverage and debt service obligations could adversely affect our business and prevent the Issuer and the Guarantors from fulfilling obligations under the Notes and the Guarantees.

Although the Trust Deed by which the Notes are constituted contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and any indebtedness incurred in compliance with these restrictions could be substantial. For a summary of our existing indebtedness as of the date of this offering, see "Description of Indebtedness". The degree to which we will be leveraged in the future, on a consolidated basis, could have important consequences for the Noteholders, including, but not limited to:

- making it more difficult for the Issuer, us or the other Guarantors to satisfy respective obligations with respect to the Notes and the Guarantees;
- increasing vulnerability to, and reducing our flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow from operations to the payment of principal of, and interest on, our consolidated indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures or other general corporate purposes;
- limiting flexibility in planning for, or reacting to, changes in our business, the competitive environment and the industries in which we operate;
- placing us at a competitive disadvantage compared to our competitors that are not as highly leveraged; and
- limiting our ability to borrow additional funds and increasing the cost of any such borrowing.

Any of these or other consequences or events could materially and adversely affect the Issuer's, our or the other Guarantors' ability to satisfy debt obligations, including the Notes and the Guarantees.

We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.

The Trust Deed and the trust deeds governing our other U.S.-dollar denominated senior notes restrict, among other things, our and the other Guarantors' ability to:

- incur or guarantee additional indebtedness;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Guarantors or their restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments and capital expenditures;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Guarantors or any of their restricted subsidiaries;
- sell, lease or transfer certain assets, including stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- enter into unrelated business or engage in prohibited activities; or
- consolidate or merge with other entities.

All of these limitations will be subject to significant exceptions and qualifications. See "Terms and Conditions of the Notes — Covenants and Definitions". These covenants could limit the Guarantors' ability to finance their future operations and capital needs and their ability to pursue business opportunities and activities that may be in our interest.

On October 31, 2015, PT Asiatic Sejahtera Finance ("**PT ASF**"), a subsidiary of the Company incurred Rp198 billion pursuant to a facility with PT Bank Jtrust Indonesia Tbk. Prior to the incurrence of this indebtedness, we intended to designate PT ASF as Unrestricted Subsidiary under the terms of the trust deeds governing our 2019 Notes, 2020 Notes and 2022 Notes. However, due to an administrative error, the designation of PT ASF as Unrestricted Subsidiary was not completed. Accordingly, PT ASF was a Restricted Subsidiary under the terms of such trust deeds at the time of the incurrence of this indebtedness. The indebtedness was secured by way of a lien on PT ASF's accounts receivable. The incurrence of this lien was not permitted under the limitation on liens covenants and therefore constituted a default under such trust deeds. To remedy this default, PT ASF fully repaid the indebtedness and discharged the liens on January 14, 2016. Accordingly, the default has been cured and there is no longer any outstanding default under the terms of such trust deeds.

An investment in the Notes may subject you to foreign exchange risks.

The Notes are denominated and payable in U.S. Dollars. If you measure your investment returns by reference to a currency other than U.S. Dollars, an investment in the Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. Dollars relative to the currency by reference to which you measure your investment returns, due to, among other things, economic, political and other factors over which the Company has no control. Depreciation of the U.S. Dollar against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment returns. In addition, there may be tax consequences for you as a result of any foreign exchange gains resulting from any investment in the Notes.

The Guarantors are subject to Indonesian bankruptcy and insolvency laws, which may delay or prevent payment on the Notes.

Under Law No. 37 of 2004 on Bankruptcy and Suspension of Obligation for Payment of Debts ("**Indonesian Bankruptcy Law**"), a creditor that foresees its debtor would not be able to continue to pay its debts when they become due and payable, or a debtor which is unable, or predicts that it would be unable, to pay its debts when they become due and payable, may file for suspension of payment of debt with the Commercial Court. In addition, a debtor who has two or more creditors and who is unable to pay any of its debt may be declared bankrupt by virtue of a Commercial Court decision. Under the Indonesian Bankruptcy Law, a suspension of debt payment proceeding takes priority over a bankruptcy proceeding and must be decided first. As such, a suspension of debt payment proceeding will effectively postpone the bankruptcy proceeding. As a result, creditors are unlikely to receive any payment during the course of the suspension of debt payment proceeding (with the exception of secured creditors subject to certain conditions) and the bankruptcy estate is likely to be insufficient to fully settle their claims.

In addition, during the suspension of debt payment proceeding, the debtor may propose a composition plan to its creditors. Such composition, if approved at a creditors' meeting and ratified by the Commercial Court, will be binding on all unsecured creditors and on secured creditors that voted for the composition plan, and the suspension of debt payment proceeding ends. The debtor can then continue its business and service its debt in accordance with the composition plan proposed by the debtor and approved at the creditors' meeting and ratified by the court. The secured creditors that did not attend the creditors' meeting or vote on the plan are not bound by the plan and are entitled to enforce their security interests.

As a composition plan, if approved, is approved by majority of the creditors on a collective basis, it may not be in the best interest of any particular creditor. We cannot assure you that the Guarantors will not be involved in a suspension of debt payment proceeding or a bankruptcy proceeding in Indonesia or other jurisdiction in the future. Any such proceeding may delay payment on the Notes. If any of the Guarantors becomes a debtor in a bankruptcy proceeding or a suspension of debt payment proceeding in Indonesia, we may file for suspension of debt payment with a proposed composition plan which may not be satisfactory to you. If such composition plan is approved, it will be binding on you.

The Subsidiary Guarantees may be challenged, which could impair the enforceability of such Guarantees.

Under bankruptcy laws, fraudulent transfer laws, financial assistance, insolvency or unfair preference or similar laws in Indonesia or other jurisdictions, including where future Subsidiary Guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by, or when it gives, its guarantee: incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given; received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; received no commercial benefit; was insolvent or rendered insolvent by reason of such incurrence; was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature. The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied.

Under the laws of Indonesia, it would also be necessary for the directors to ensure that the guarantor is solvent immediately after entry into, and performance of any obligation under, the transaction, that is: it will be able to satisfy its liabilities as they become due in the ordinary course of its business; and the realizable value of the assets of the guarantor will not be less than the sum of its total liabilities other than deferred taxes, as shown in the books of account, and its capital. The directors are required to ensure that the issued capital of the guarantor is maintained and that, after the giving of a guarantee, the guarantor would have sufficient net assets to cover the nominal value of its issued share capital.

If a court voided a Subsidiary Guarantee, subordinated such Subsidiary Guarantee to other indebtedness of such Subsidiary Guarantors, or held such Subsidiary Guarantee unenforceable for any other reason, the Noteholders would cease to have a claim against that Subsidiary Guarantor, would be subject to the prior payment of all liabilities (including trade payables) and any preferred stock of such Subsidiary Guarantor and would solely be creditors of the Company and any other Subsidiary Guarantor whose Subsidiary Guarantees were not voided or held unenforceable. There can be no assurance that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the Noteholders.

We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.

The ability of the Issuer to make scheduled principal or interest payments on the Notes and our ability to make payments on our indebtedness, including the Intercompany Loan and amounts under the Guarantees and our contractual obligations (see "Description of Indebtedness"), and to fund our ongoing operations, will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this "Risk Factors" section, many of which are beyond the Issuer's and our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, including the Intercompany Loan or amounts under the Guarantees, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the Trust Deed and the Supplemental Trust Deed by which the Notes offered hereby are constituted may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations — Liquidity and Capital Resources".

Payments under the Notes and the Guarantees will be structurally subordinated to liabilities and obligations of certain of our subsidiaries.

We have only a shareholder's claim on the assets of any subsidiary in our group. This shareholder's claim is junior to the claims that creditors of any such subsidiary have against it. The noteholders will only be creditors of us, the Issuer and the Subsidiary Guarantors, and not of our other subsidiaries. Only four of our subsidiaries are providing Guarantees. In addition, the noteholders will not have the benefit of any security interest over the shares of the Subsidiary Guarantors or any of our other subsidiaries or any security interest over the assets of the Subsidiary Guarantors or any of our other subsidiaries. As a result, liabilities of any of our other subsidiaries, including any claims of trade creditors and preferred stockholders and any secured obligations of the Subsidiary Guarantors, will be effectively senior to the Notes and the Guarantees. Any of these other subsidiaries may in the future have other liabilities, including contingent liabilities, that may be significant. Although the Trust Deed contains limitations on the amount of additional debt that we and our subsidiaries may incur, the amounts of such debt could be substantial. As of June 30, 2016, our subsidiaries, excluding the Issuer and the Subsidiary Guarantors, had Rp1,584.4 billion (US$120.2 million) of indebtedness outstanding. See "Terms and Conditions of the Notes — Covenants and Definitions — Limitation on Indebtedness and Preferred Stock".

The Notes are not secured by our assets and the lenders under our credit facilities and outstanding bonds will be entitled to remedies available to secured lenders, which gives them priority over the noteholders.

The Notes will be effectively subordinated in right of payment to all of our secured indebtedness to the extent of the value of the assets securing such indebtedness. Borrowers under our credit facilities and outstanding bonds are secured by security interests in substantially all of our assets, our capital stock and in certain of the capital stock held by us (subject to certain significant exceptions). See "Description of Indebtedness". As of June 30, 2016, we had approximately Rp2,162.0 billion (US$164.0 million) of secured indebtedness and Rp10,411.2 billion (US$789.9 million) of unsecured indebtedness outstanding. If we become insolvent or are liquidated, or if payment under the credit facilities or of any other secured indebtedness is accelerated, the secured creditors and holders of other secured indebtedness (or an agent on their behalf) will be entitled to exercise the remedies available to a secured creditor under applicable law (in addition to any remedies that may be available under documents pertaining to our credit facilities). For example, the secured creditors could foreclose and sell those of our assets in which they have been granted a security interest to the exclusion of the Noteholders, even if an event of default exists under the Notes at that time. As a result, upon the occurrence of any of these events, there may not be sufficient funds to pay amounts due on the Notes.

The Issuer may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a change of control as required by the Trust Deed.

Upon the occurrence of certain events constituting a change of control, the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount of the

Notes. If a change of control were to occur, no assurance can be given that the Issuer would have sufficient funds available at such time to pay the purchase price of the outstanding Notes. The Intercompany Loan agreement pursuant to which the Issuer has on-lent the net proceeds of this offering to us does not contain provisions that require us to repay such loan upon the Issuer becoming required to repurchase the Notes. A change of control may result in an event of default under, or acceleration of, other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such indebtedness, even if the change of control itself does not.

The change of control provision contained in the Trust Deed may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Guarantors that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Trust Deed. Except as described under "Terms and Conditions of the Notes — Redemption, Purchase and Cancelation — Repurchase of Notes Upon a Change of Control Triggering Event", the Trust Deed does not contain provisions that require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" contained in the Trust Deed includes a disposition of all or substantially all of our assets and our restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all", there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets and those of our restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes have been assigned a rating of "Ba3" by Moody's, "BB-" by Fitch and "B+" by Standard & Poor's. The ratings address our and the Issuer's ability and the ability of the other Guarantors to perform their respective obligations under the terms of the Notes and the Guarantees and credit risks in determining the likelihood that payments will be made when due under the Notes. Standard & Poor's downgraded the rating of the Company and the existing 7.0% Senior Notes due 2022 to "B+" on July 28, 2016. Moody's changed its outlook on its rating of the Company and the Notes to negative from stable on October 18, 2016. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if, in its judgment, circumstances in the future so warrant. The Issuer has no obligation to inform the Noteholders of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

An active trading market for the Notes may not develop and the market price of the Notes following the offering may be volatile.

The Notes are not registered public securities. The market for the Notes is limited and the Notes could trade at prices that might be higher or lower than the initial Issue Price depending on any factors, including prevailing interest rates, our operating results and the market for similar securities. The Joint Global Coordinators have advised us that they presently intend to make a market in the Notes as permitted by applicable laws and regulations. The Joint Global Coordinators are not, however, obliged to make a market in the Notes and any such market making may be discontinued at any time. The liquidity of any market for the Notes depends on many factors, including the number of noteholders, the interest of securities dealers in making a market in the Notes, prevailing interest rates and the markets for similar securities, general economic conditions and our financial condition, historical financial performance and future prospects. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes. The Company has obtained approval-in-principle for the listing of the Notes on the SGX-ST. However, there can be no guarantee that a liquid trading market for the Notes will develop, and we cannot predict whether a trading market for the Notes will develop or how liquid that market might become. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a noteholder's ability to dispose of the Notes.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Notes will not be subject to similar disruptions. Any such disruption may have an adverse effect on holders of the Notes.

The transfer of Notes is restricted which may adversely affect their liquidity and the price at which they may be sold.

The Notes and the Guarantees have not been registered under, and the Issuer is not obligated to register the Notes or the Guarantees under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, the Notes and the Guarantees may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Subscription and Sale". The Issuer has not agreed to or otherwise undertaken to register the Notes, and the Issuer has no intention of doing so.

Any Hedging Obligations (as defined herein) of the Issuer, us and/or any Restricted Subsidiary (as defined herein) may contain terms and conditions that result in the early termination of such Hedging Obligation.

Any Hedging Obligations of the Issuer, us and/or any Restricted Subsidiary may contain terms and conditions that result in the early termination of such Hedging Obligation upon the occurrence of certain termination events relating to the Issuer, us and/or any Restricted Subsidiary, and such terms and conditions may provide that no payments in respect of any such early termination may be due and payable to the Issuer, us and/or any Restricted Subsidiary (as relevant) in respect of such early termination.

Noteholders are exposed to risks relating to Singapore taxation.

The Notes to be issued are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore, subject to the fulfillment of certain conditions more particularly described in the section "Taxation — Singapore Taxation". However, there is no assurance that such Notes will continue to be "qualifying debt securities" or that the tax concessions in connection therewith will apply throughout the tenure of the Notes should the relevant tax laws or MAS circulars be amended or revoked at any time.

Where the Notes qualify as qualifying debt securities and meet the further conditions imposed under the qualifying debt securities scheme, interest and certain other specified payments made under the Notes to a Noteholder who is not resident in Singapore, and (i) who does not have any permanent establishment in Singapore or (ii) who carries on any operation in Singapore through a permanent establishment in Singapore but the funds used to acquire the Notes are not obtained from such operations through a permanent establishment in Singapore, are exempt from Singapore tax.

However, in the event that the Notes cease to be "qualifying debt securities" under the relevant Singapore tax laws, Noteholders may not be able to enjoy the tax exemptions and concessions available under the qualifying debt securities scheme. See "Taxation — Singapore Taxation — Interest and Other Payments" for details.

Current OJK (previously Bapepam-LK) regulations may restrict our ability to issue the Notes and any additional debt securities.

On November 28, 2011, Bapepam-LK Regulation No. IX.E.2 on Material Transactions and Change of Main Business Activities was issued, which replaced the previous regulation issued in 2009 (the "Material Transactions Regulation"). This regulation is applicable to publicly listed companies in Indonesia and their unlisted consolidated subsidiaries. Pursuant to the Material Transactions Regulation, each borrowing and lending in one transaction or a series of related transactions for a particular purpose or activity having a transaction value of 20% to 50% of the publicly listed company's equity, as determined by the latest audited annual financial statements, semi-annual limited reviewed financial statements or audited interim financial statements (if any), must be announced to the public and the listed company must also prepare an appraisal report. The announcement relating to the material transaction must be made to the public in at least one Indonesian language daily newspaper having national circulation no later than the end of the second business day after the date of execution of the agreement(s) related to the Material Transaction. The announcement is required to include a summary of the transaction, an explanation of the considerations and reasons for such material transaction and the effect of the transaction on the company's financial condition, a summary of the appraisal report (including its purpose, the object, the parties involved, the assumptions, qualifications and methodology used in the appraisal report, the conclusion on the value of the transaction, and the fairness opinion on the transaction), which must not be dated more than six months prior to the date of the material transaction, the amount borrowed or lent, and a summary of the terms and conditions of the borrowing or lending. Publicly listed companies must submit evidence of an announcement as referred to above, including the independent appraisal report to Indonesia Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") at the latest by the end of the second business day after the date of execution of the agreement(s) related to the Material Transaction. As the aggregate transaction value of the offering of the Notes and the lending of the proceeds of the Notes from Kemang to us falls between 20% to 50% of our total equity set out in our financial statements for the year ended December 31, 2015 and for the six months ended June 30, 2016, the offering of the Notes and the lending of the proceeds of the Notes from Kemang is considered as a Material Transaction, in which we have to obtain a fairness opinion and make a disclosure announcement, but it is not subject to approval from a general meeting of shareholders. However, if we decide to issue additional debt securities other than through a public offering in Indonesia, and the amount issued exceeds the 50% threshold, we would be required to obtain shareholders' approval, as well as an appraisal report. There is no assurance that we would be able to obtain the approval of our shareholders or a favorable appraisal report in order to issue such additional debt securities. This requirement could limit our ability to finance our future operations and capital needs, or pursue business opportunities or activities that may be in our interest. Any limitation on our ability to raise funds to finance our operations could materially and adversely affect our business, financial condition, results of operations and prospects.

TERMS AND CONDITIONS OF THE NOTES

The following (subject to completion and amendment and other than the words in italics and subject to the provisions of the Global Certificate) are the terms and conditions substantially in the form in which they will be endorsed on the Notes if issued in definitive certificated form, which will be incorporated by reference into the Global Certificate representing the Notes, subject to the provisions of such Global Certificate.

The issue of the US$425,000,000 aggregate principal amount of 6.75% senior notes due 2026 (the "Notes") of Theta Capital Pte. Ltd. (the "Issuer") was authorized by a resolution of the Board of Directors of the Issuer passed on October 14, 2016 and the guarantees of the Notes were authorized by resolutions of each of the Board of Directors and the Board of Commissioners of PT Lippo Karawaci Tbk (the "Company") on October 14, 2016, PT Sentra Dwimandiri ("PT Sentra"), PT Wisma Jatim Propertindo ("PT Wisma") on October 14, 2016, PT Megapratama Karya Persada ("PT Mega") on October 14, 2016 and PT Primakreasi Propertindo on October 14, 2016 ("PT Primakreasi" and, together with PT Sentra, PT Wisma and PT Mega, the "Subsidiary Guarantors", which expression shall include any other Restricted Subsidiary that guarantees the payment of the Notes pursuant to the Trust Deed and the Notes; *provided* that Subsidiary Guarantors will not include any Person whose Subsidiary Guarantee has been released in accordance with the Trust Deed and the Notes). The Company and the Subsidiary Guarantors are collectively referred to as the "Guarantors". The Notes are constituted by a trust deed (the "Trust Deed") dated October 31, 2016 and made between the Issuer, the Company, the initial Subsidiary Guarantors and DB Trustees (Hong Kong) Limited as trustee (the "Trustee" which term shall, where the context so permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Deed) for the holders of the Notes (the "Noteholders"). The Issuer, the Company and the initial Subsidiary Guarantors have entered into a registrar and paying agency agreement (the "Agency Agreement") dated October 31, 2016 with the Trustee, Deutsche Bank AG, Hong Kong Branch as principal paying agent (the "Principal Paying Agent"), Deutsche Bank AG, Hong Kong Branch as registrar (the "Registrar"), Deutsche Bank AG, Hong Kong Branch as transfer agent (the "Transfer Agent") and the other paying agents appointed under it (each a "Paying Agent" and together with the Principal Paying Agent, the "Paying Agents"), relating to the Notes. The Paying Agents, the Registrar and the Transfer Agent are collectively referred to as the "Agents" and such expression includes any successor or additional agent appointed pursuant to the Agency Agreement with respect to the Notes. References to the "Principal Paying Agent", "Paying Agent", "Registrar", "Transfer Agent" and "Agents" below are references to the principal paying agent, paying agent, registrar, transfer agent and agents for the time being. So long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and, if so required by the SGX-ST, references to "Agents" shall include the Singapore Agent (as defined in Condition 16). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement. Copies of the Trust Deed and of the Agency Agreement are available for inspection during normal business hours on any weekday (except public holidays) by Noteholders at the specified office of the Principal Paying Agent being at the date hereof at 52nd Floor, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. The Noteholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. Capitalized terms not otherwise defined shall have the meanings given to them in Condition 4.25. Terms used in these Conditions have the meaning given to them in the Trust Deed unless the context otherwise requires.

1. STATUS AND GUARANTEES

1.1 Notes

The Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application and subject to Condition 4, at all times rank at least *pari passu* with all of its other present and future unsecured and unsubordinated obligations.

1.2 Guarantees

Each of the Company and the initial Subsidiary Guarantors has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of its obligations under the Notes and the Trust Deed (the "Parent Guarantee" and the "Subsidiary Guarantees", respectively, and collectively, the "Guarantees"). The initial Subsidiary Guarantors that will execute the Trust Deed on the Issue Date consist of PT Sentra, PT Wisma, PT Mega and PT Primakreasi. All of the Restricted Subsidiaries that are not Subsidiary Guarantors, including Theta Kemang Pte. Ltd. ("Kemang") are collectively referred to herein as the "Non-Guarantor Subsidiaries." In addition, any future Restricted Subsidiaries that provide a guarantee of any Indebtedness (to the extent permitted under these Conditions) shall also be required to provide a Subsidiary Guarantee in accordance with Condition 4.5.

The Parent Guarantee constitutes the direct, unsubordinated, unconditional and unsecured obligation of the Company, which will at all times rank at least equally in right of payment to all present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Subsidiary Guarantee of each Subsidiary Guarantor constitutes the direct, unsubordinated, unconditional and unsecured obligation of such Subsidiary Guarantor, which will at all times rank at least *pari passu* in right of payment to all present and future unsecured and unsubordinated obligations of such Subsidiary Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Although the Trust Deed contains limitations on the amount of additional Indebtedness that the Company and/or Restricted Subsidiaries may incur, the amount of such additional Indebtedness, including such additional Indebtedness of Non-Guarantor Subsidiaries, could be substantial. In the event of the insolvency, bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, such Non-Guarantor Subsidiary will be required to pay the holders of its indebtedness and its trade creditors all outstanding indebtedness before it will be able to distribute any of its assets to the Company. As at June 30, 2016, the Company and its consolidated subsidiaries had approximately Rp12,573.1 billion (US$954.0 million) of consolidated indebtedness outstanding, all of which was incurred by the Issuer under its 7.0% Senior Notes due 2019, its 6.125% Senior Notes due 2020 and its 7.0% Senior Notes due 2022, other than Rp2,162.0 billion (US$164.0 million) incurred by other subsidiaries under secured bank facilities. As of June 30, 2016, the Non-Guarantor Subsidiaries had total liabilities of approximately Rp1,584.4 billion (US$120.2 million).

Under the Trust Deed, and any supplemental trust deed to the Trust Deed, as applicable, each of the Guarantors will jointly and severally, unconditionally and irrevocably guarantee that if the Issuer does not pay any sum payable by it under the Trust Deed or the Notes by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), each Guarantor will pay that sum to or to the order of the Trustee, in the manner provided in Trust Deed before close of business on that date in the city in which payment is so to be made. Each of the Guarantors will (a) agree that its obligations under its Guarantee will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Trust Deed and (b) waive its right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Issuer prior to exercising the Trustee's rights under the Guarantees. Moreover, if at any time any amount paid under a Note, the Trust Deed or the Agency Agreement is rescinded or must otherwise be restored, the rights of the Noteholders under the Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Guarantees will be made in U.S. dollars.

The obligations of each Guarantor under its respective Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors — Risks Relating to the Notes and the Guarantees — The Guarantees may be challenged under applicable financial assistance, insolvency or fraudulent transfer laws, which could impair the enforceability of the Guarantees".

1.3 Release of the Guarantees

The Parent Guarantee may only be released upon repayment in full of the Notes. A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

(a) upon repayment in full of the Notes;

(b) upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Trust Deed and the Notes; or

(c) upon the sale of a Subsidiary Guarantor in compliance with the terms of the Trust Deed and the Notes (including the covenants under Conditions 4.4 and 4.9) resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (i) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (ii) the proceeds from such sale or disposition are used for the purposes permitted or required by the Trust Deed and the Notes.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee shall be effective against the Trustee or the Noteholders until the Issuer or the Company have delivered to the Trustee an Officer's Certificate stating that all requirements relating to such release have been complied with and that such release is authorized and permitted by the Trust Deed.

2. FORM AND DENOMINATION

The Notes are issued in individual fully registered form, without interest coupons or principal receipts attached, in minimum denominations of US$200,000 each and integral multiples of US$1,000 in excess thereof. An individual certificate will be issued to each Noteholder in respect of its registered holding or holdings of Notes. Upon issue, the Notes will be represented by a permanent global certificate (a "Global Certificate") in fully registered form which will be deposited with the custodian for and registered in the name of a nominee for a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg").

If the Notes are issued in definitive form pursuant to their terms, a definitive certificate in respect of each Note (a "Definitive Certificate") will be issued in registered form and serially numbered with an identifying number which will be recorded in the register (the "Register") which the Issuer shall procure to be kept by the Registrar.

3. TITLE AND TRANSFER

(a) Title to the Notes passes upon registration of transfers in the Register which the Issuer will procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement and the Trust Deed. The registered holder of any Note will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not any payment in respect of it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it (other than a duly completed and endorsed form of transfer in respect of such Note) or its theft or loss) and no person will be liable for so treating such holder.

(b) Subject to Condition 3(e), one or more Notes may be transferred in whole or in part in nominal amounts equal to US$200,000 and integral multiples of US$1,000 in excess thereof. Transfers of beneficial interests in the Global Certificate will be effected subject to and in accordance with the Agency Agreement. Notes represented by Definitive Certificates may be transferred only upon the surrender, at the specified office of the Registrar or Transfer Agent, of the Definitive Certificate representing such Note(s) to be transferred, with the form of transfer endorsed on such Definitive Certificate duly completed and executed and together with such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Definitive Certificate, a new Definitive Certificate will be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(c) Each new Definitive Certificate to be issued pursuant to Condition 3(b) will be available for delivery and the Registrar shall register the transfer in question within five Business Days of receipt of such form of transfer. Delivery of new Definitive Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar, as the case may be, to whom delivery shall have been made or at the option of the holder making such delivery as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post at the risk of the holder entitled to the new Definitive Certificate to such address as may be so specified. For the purposes only of this Condition 3(c), "Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Transfer Agent and the Registrar.

(d) Transfers of Notes and Definitive Certificates representing such Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(e) No Noteholder may require the transfer of a Note to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest or redemption of that Note.

(f) All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be sent by the Registrar to any Noteholder upon request and is available at the offices of each of the Registrar and Transfer Agent.

4. COVENANTS AND DEFINITIONS

4.1 Limitation on Indebtedness and Preferred Stock

(a) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not permit any Restricted Subsidiary to issue any Preferred Stock; *provided* that the Company, the Issuer, any Subsidiary Guarantor or any Restricted Subsidiary (other than Kemang) may Incur Indebtedness (including Acquired Indebtedness) if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (A) the Fixed Charge Coverage Ratio would be not less than 2.0 to 1.0 and (B) if such Indebtedness constitutes Priority Indebtedness, such Indebtedness constitutes Permitted Priority Indebtedness. Notwithstanding the foregoing, the Company will not, and will not permit any Restricted Subsidiary to, Incur any Disqualified Stock (other than Disqualified Stock of Restricted Subsidiaries held by the Company or a Subsidiary Guarantor, so long as it is so held).

(b) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following:

(i) Indebtedness under the Notes (excluding any Additional Notes), the Intercompany Loans and each Guarantee;

(ii) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Issue Date excluding Indebtedness permitted under Condition 4.1(b)(iii);

(iii) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided* that (A) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this Condition 4.1(b)(iii) and (B) if the Issuer, the Company or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes, in the case of the Issuer, or the Guarantee of the Company or such Subsidiary Guarantor, in the case of the Company or a Subsidiary Guarantor;

(iv) Indebtedness ("Permitted Refinancing Indebtedness") issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "refinance" and "refinances" and "refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness repaid substantially concurrently with but in any case before the Incurrence of such Permitted Refinancing Indebtedness) Incurred under Condition 4.1(a) or Condition 4.1(b)(i), (ii) or (vi) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided*, that the Indebtedness to be refinanced is fully and irrevocably repaid no later than 60 days after the Incurrence of the Permitted Refinancing Indebtedness; and *provided further* that (A) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Guarantee shall only be permitted under this Condition 4.1(b)(iv) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or a Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Guarantee, or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Guarantee, (B) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (C) in no event may Indebtedness of the Issuer, the Company or any Subsidiary Guarantor be refinanced pursuant to this Condition 4.1(b)(iv) by means of any Indebtedness of any Restricted Subsidiary (other than the Issuer or any Subsidiary of the Company that issues debt obligations similar to the Notes in the future) that is not a Subsidiary Guarantor and in no event may Indebtedness of an Unrestricted Subsidiary be refinanced pursuant to this Condition 4.1(b)(iv) by means of any Indebtedness of any Restricted Subsidiary or the Company;

(v) Indebtedness Incurred by the Company or any Restricted Subsidiary (other than Kemang) pursuant to Hedging Obligations entered into solely to protect the Company or any Restricted Subsidiary from fluctuations in interest rates, foreign currency exchange rates or commodity prices and not for speculation; *provided* that such Hedging Obligation does not increase the Indebtedness of the Company or such Restricted Subsidiary outstanding at any time other than as a result of fluctuations in interest rates, foreign currency exchange rates or commodity prices or by reason of fees, indemnities and compensation payable thereunder;

(vi) Indebtedness Incurred by the Company or any Restricted Subsidiary (other than Kemang) pursuant to a Capitalized Lease Obligation or for the purpose of financing (A) all or any part of the purchase price of real or personal property (including the lease purchase price of land use rights), assets or equipment to be used in the Permitted Business in the ordinary course of business through the acquisition of Capital Stock of any Person that owns such real or personal property, assets or equipment which will, upon such acquisition, become a Restricted Subsidiary or (B) all or any part of the purchase price or the cost of development, construction or improvement of real or personal property (including the lease purchase price of land use rights), assets or equipment to be used in the Permitted Business by the Company or such Restricted Subsidiary in the ordinary course of business; *provided, however*, that (x) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost, (y) such Indebtedness shall be Incurred no later than 120 days after the acquisition of such property, assets or equipment or completion of such development, construction or improvement and (z) on the date of the Incurrence of such Indebtedness and after giving effect thereto, the aggregate principal amount outstanding of all such Indebtedness permitted by this Condition 4.1(b)(vi) (together with Permitted Refinancing Indebtedness thereof, but excluding any Contractor Guarantee Incurred under this Condition 4.1(b)(vi) to the extent the amount of such Contractor Guarantee is otherwise reflected in such aggregate principal amount) does not exceed an amount equal to US$50.0 million (or the Dollar Equivalent thereof);

(vii) Indebtedness Incurred by the Company or any Restricted Subsidiary (other than Kemang) constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);

(viii) Indebtedness Incurred by the Company or any Restricted Subsidiary (other than Kemang) constituting reimbursement obligations with respect to letters of credit or trade guarantees (including guarantees provided to public utility companies in Indonesia for the provision of utility services) issued in the ordinary course of business to the extent that such letters of credit or trade guarantees (including guarantees provided to public utility companies in Indonesia for the provision of utility services) are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;

(ix) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary (other than Kemang) pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Kemang), other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary (other than Kemang) for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company or a Restricted Subsidiary from the sale of such business, assets or Restricted Subsidiary;

(x) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, however, that such Indebtedness is extinguished within five Business Days of Incurrence;

(xi) Indebtedness arising from guarantees by the Company or any Restricted Subsidiary (other than Kemang) to a domestic bank or other financial institution in Indonesia in respect of Qualified Receivables sold to such domestic bank or other financial institution in Indonesia in a Qualified Receivables Transaction; *provided* that the aggregate amount of Indebtedness permitted by this Condition 4.1(b)(xi) at any time outstanding does not exceed US$50.0 million (or the Dollar Equivalent thereof);

(xii) Indebtedness permitted to be Incurred in connection with a Sale and Leaseback Transaction in accordance with Condition 4.8(b);

(xiii) Indebtedness of the Company or any Restricted Subsidiary (other than Kemang) with a maturity of one year or less used by the Company or any Restricted Subsidiary (other than Kemang) for working capital; *provided* that the aggregate principal amount of Indebtedness permitted by this Condition 4.1(b)(xiii) at any time outstanding does not exceed US$50.0 million (or the Dollar Equivalent thereof);

(xiv) Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary (other than Kemang); and

(xv) Indebtedness of the Company or any Restricted Subsidiary (other than Kemang) in an aggregate principal amount at any time outstanding (together with refinancings thereof) not to exceed US$25.0 million (or the Dollar Equivalent thereof),

provided that, with respect to the Incurrence of Indebtedness under this Condition 4.1(b) (other than the Incurrence of Indebtedness pursuant to clause (b)(xv) of this Condition), if such Indebtedness constitutes Priority Indebtedness, on the date of the Incurrence of such Indebtedness and after giving effect thereto, such Indebtedness constitutes Permitted Priority Indebtedness.

(c) For the purposes of determining any particular amount of Indebtedness under this Condition 4.1, guarantees, Liens or obligations with respect to letters of credit supporting Indebtedness otherwise included in the determination of such particular amount shall not be included. For the purposes of determining compliance with this Condition 4.1, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first sentence of Condition 4.1(a), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness except to the extent specified above.

(d) Notwithstanding any other provision of this Condition 4.1, the maximum amount of Indebtedness that may be Incurred pursuant to this Condition 4.1 will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rate of currencies.

(e) The Issuer and the Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Issuer, the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Guarantee, on substantially identical terms.

4.2 Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in Conditions 4.2(a) to (d) being collectively referred to as "Restricted Payments"):

(a) declare or pay any dividend or make any distribution on or with respect to the Company's or any Restricted Subsidiary's Capital Stock (other than dividends or distributions payable solely in shares of the Company's or any Restricted Subsidiary's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;

(b) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Restricted Subsidiary;

(c) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any Guarantee (excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary); or

(d) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(A) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(B) the Company could not Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of Condition 4.1; or

(C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after July 1, 2010, shall exceed the sum (without duplication) of:

(i) 50.0% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100.0% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on July 1, 2010 and ending on the last day of the Company's most recently ended quarterly period for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (under Condition 4.19) at the time of such Restricted Payment; plus

(ii) 100.0% of the aggregate Net Cash Proceeds received by the Company after July 1, 2010 as a capital contribution or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, or an employee stock ownership plan or a trust for the benefit of employees; plus

(iii) 100.0% of the amount by which Indebtedness of the Company (other than Subordinated Indebtedness) is reduced on the Company's balance sheet upon conversion or exchange subsequent to the Issue Date of any Indebtedness (other than Subordinated Indebtedness) of the Company convertible or exchangeable for capital stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); *provided* that the foregoing amount shall not exceed the Net Cash Proceeds received by the Company or any Restricted Subsidiary from the sale of such Indebtedness (excluding sales to a subsidiary of the Company or an employee stock ownership plan or a trust for the benefit of employees); plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Issue Date in any Person resulting from (a) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), (b) the unconditional release of a guarantee provided by the Company or any Restricted Subsidiary after the Issue Date of an obligation of another Person, (c) the Net Cash Proceeds from the sale of any such Investment (except to the extent such Net Cash Proceeds are included in the calculation of Consolidated Net Income) or (d) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Issue Date in any such Person or Unrestricted Subsidiary.

The foregoing provision shall not be violated by reason of:

(I) the payment of any dividend within 60 days after the related date of declaration if, at such date of declaration, such payment would comply with the preceding paragraph;

(II) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(III) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a capital contribution or a substantially concurrent sale (other than to a Subsidiary of the Company, an employee stock ownership plan or a trust for the benefit of employees) of, shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from Condition 4.2(C)(ii);

(IV) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor in exchange for, or out of the Net Cash Proceeds of a substantially concurrent sale (other than to a Subsidiary of the Company, an employee stock ownership plan or a trust for the benefit of employees) of, shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from Condition 4.2(C)(ii);

(V) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary;

(VI) subject to the following companies remaining listed on the Indonesia Stock Exchange, the SGX-ST or another internationally recognized stock exchange, the payment of any dividends by PT Lippo Cikarang Tbk or PT Gowa Makassar Tourism Development Tbk, where the aggregate amount of payments made pursuant to this paragraph (VI) for each of PT Lippo Cikarang Tbk or PT Gowa Makassar Tourism Development Tbk not to exceed 50.0% of its respective Consolidated Net Income in any given annual fiscal period after the Issue Date (including the annual fiscal period in which the Issue Date occurs); or

(VII) the payment by the Company of Restricted Payments referred to in clauses (a), (b) and (c) of Condition 4.2 in an aggregate amount not to exceed, together with all other such Restricted Payments made pursuant to this clause (VII), US$25.0 million (or the Dollar Equivalent thereof) since the Issue Date;

provided that, in the case of Condition 4.2(I), (II), (III), (IV) or (VI), no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to Condition 4.2(I) and (V) and made after July 1, 2010 shall be included in calculating whether the conditions of Condition 4.2(C) have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this Condition 4.2 will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of national standing if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in an amount in excess of US$10.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Condition 4.2 were computed, together with a copy of any fairness opinion or appraisal required by the Trust Deed or these Conditions.

4.3 Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

(a) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(ii) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(iii) make loans or advances to the Company or any other Restricted Subsidiary; or

(iv) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that it being understood that: (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(b) The provisions of Condition 4.3(a) do not apply to any encumbrances or restrictions:

(i) existing in agreements as in effect on the Issue Date, or in the Notes, the Guarantees, the Trust Deed and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(ii) existing under or by reason of applicable law (including any statute, rule, regulation or government order);

(iii) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced and remain applicable only to the Person or the property or assets of such Person acquired;

(iv) that otherwise would be prohibited by the provision described in Condition 4.3(a)(iv) if they arise, or are agreed to in the ordinary course of business, and that (A) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license or (B) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Trust Deed or these Conditions; or

(v) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by Conditions 4.1, 4.4 and 4.9.

4.4 Limitation on Sales and Issuances of Capital Stock of Restricted Subsidiaries

The Company will not sell, pledge or otherwise dispose, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, pledge or otherwise dispose, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

(a) to the Company, the Issuer or a Restricted Subsidiary;

(b) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary;

(c) the issuance or sale of Capital Stock of a Restricted Subsidiary (other than Kemang) if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted to be made under Condition 4.2 if made on the date of such issuance or sale; or

(d) the issuance or sale of Capital Stock of a Restricted Subsidiary (other than Kemang) (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with Condition 4.9.

4.5 Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to provide any guarantee for any Indebtedness ("Guaranteed Indebtedness") of the Company or any other Restricted Subsidiary, unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental trust deed to the Trust Deed providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Guarantee or (B) is subordinated in right of payment to the Notes or any Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Guarantee.

4.6 Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend or permit to exist any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, employee compensation arrangements or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5.0% or more of any class of Capital Stock of the Company or (y) with any Affiliate of the Company or any Restricted Subsidiary (each an "Affiliate Transaction"), unless:

(a) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's-length transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company or any Restricted Subsidiary; and

(b) the Company delivers to the Trustee:

  (i) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors, including meeting the requirements of Condition 4.6(a); and

  (ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in Condition 4.6(b)(i), an opinion issued by an accounting, appraisal or investment banking firm of recognized national standing (which is an independent appraisal firm registered with the Financial Services Authority (previously known as Bapepam-LK) of Indonesia) as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view.

The foregoing limitation does not limit, and shall not apply to:

(A) the payment of reasonable and customary regular fees to directors of the Company who are not employees of the Company;

(B) transactions between or among the Company and any of its Wholly-Owned Restricted Subsidiaries or between or among Wholly-Owned Restricted Subsidiaries;

(C) any Restricted Payment of the type described in Condition 4.2(a), (b) or (c) if permitted by that Condition;

(D) any sale of Capital Stock (other than Disqualified Stock) of the Company;

(E) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option scheme, so long as such scheme is in compliance with the listing rules of the relevant internationally recognized stock exchange, provided they require a majority shareholder approval of any such scheme; and

(F) any transaction entered into between the Company or any Restricted Subsidiary and any of their Affiliates on a basis no less favorable to the Company or such Restricted Subsidiary that could be obtained from an unrelated third party, taking into account the nature and purpose of the transaction, at the time of such transaction in connection with the sale or lease of units in the Company's retail shopping malls where such Affiliate is the anchor retailer of such retail shopping mall.

In addition, the requirements of Condition 4.6(b) shall not apply to (I) Investments (other than Permitted Investments) not prohibited by Condition 4.2, (II) transactions pursuant to agreements in effect on the Issue Date and described in the Offering Circular, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Issue Date and (III) any transaction between or among the Company and any Restricted Subsidiary that is not a Wholly-Owned Restricted Subsidiary; *provided* that in the case of Condition 4.6(III), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in (x) or (y) of the first paragraph of Condition 4.6 (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary).

4.7 Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, Incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Issue Date or thereafter acquired, securing any Indebtedness except Permitted Liens, unless the Notes are secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the obligations or liabilities so secured.

4.8 Limitation on Sale and Leaseback Transactions

(a) The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company may enter into a Sale and Leaseback Transaction if:

  (i) the Company could have (A) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under Condition 4.1 and (B) Incurred a Lien to secure such Indebtedness pursuant to Condition 4.7, in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

  (ii) gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

  (iii) transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Condition 4.9.

(b) Notwithstanding the foregoing, so long as no Default shall have occurred and be continuing, Condition 4.8(a)(i) shall not apply to any Sale and Leaseback Transaction that involves the sale to a property trust vehicle of hospitals or hotels by the Company or any Restricted Subsidiary and the lease by the property trust vehicle of such properties to the Company or such Restricted Subsidiary.

4.9 Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(a) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(b) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and

(c) at least 75.0% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets. For purposes of this provision, each of the following will be deemed to be cash:

  (i) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and

  (ii) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are contemporaneously, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

(A) permanently repay Senior Indebtedness of the Company or any Restricted Subsidiary (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary; or

(B) make an Investment in Replacement Assets; or

(C) only with respect to such Net Cash Proceeds from an Asset Sale of any Investment Property, make an Investment in Temporary Cash Investments, pending application of such Net Cash Proceeds as set forth in clause (A) or (B) above.

On the 361st day after an Asset Sale or such earlier date, if any, as the Company determines not to apply the Net Cash Proceeds relating to such Asset Sale as set forth in preceding paragraph (such date being referred as an "Excess Proceeds Trigger Date"), such aggregate amount of Net Cash Proceeds that has not been applied on or before the Excess Proceeds Trigger Date as permitted in the preceding paragraph ("Excess Proceeds") will be applied by the Issuer or the Company to make an Offer to Purchase to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes or any Guarantee containing provisions similar to those set forth in the Trust Deed and the Notes with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Offer to Purchase will be equal to 100.0% of the principal amount of the Notes then outstanding and such other *pari passu* Indebtedness plus accrued and unpaid interest, if any, to the date of purchase, and will be payable in cash.

The Company may defer the Offer to Purchase until there are aggregate unutilized Excess Proceeds equal to or in excess of US$10.0 million (or the Dollar Equivalent thereof) resulting from one or more Asset Sales, at which time, within ten days thereof, the entire unutilized amount of Excess Proceeds will be applied as provided in the preceding paragraph. If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Trust Deed or the Notes. If the aggregate principal amount of Notes and such other *pari passu* Indebtedness tendered into such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness will be purchased on a *pro rata* basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered.

Notwithstanding the provisions of this Condition 4.9, the Issuer and the Company will not, and will not permit Kemang to, sell or otherwise transfer Intercompany Loans.

4.10 Limitation on the Company's Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than a Permitted Business; *provided*, however, that the Company or any Restricted Subsidiary (other than Kemang) may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Business as long as any Investment therein was not prohibited when made by Condition 4.2.

4.11 Use of Proceeds

The Issuer, Kemang and the Company (as applicable) will use the net proceeds received from the Notes as set forth in the Offering Circular. The Company will not, and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes, in any amount, for any purpose other than (a) in the approximate percentages and for the purposes specified under the caption "Use of Proceeds" in the Offering Circular and (b) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

4.12 Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary (other than the Issuer or Kemang) to be an Unrestricted Subsidiary; *provided* that (a) such designation would not cause a Default; (b) neither the Company nor any Restricted Subsidiary provides any guarantees or provides credit support for the Indebtedness of such Restricted Subsidiary; (c) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company; (d) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or Lien on any property of the Company or any Restricted Subsidiary; (e) such Restricted Subsidiary does not own any Capital Stock of the Company or another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated as Unrestricted Subsidiaries in accordance with this paragraph; and (f) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by Condition 4.2.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (a) such designation shall not cause a Default; (b) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by Condition 4.1; (c) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by Condition 4.7; (d) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (e) such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental trust deed to the Trust Deed by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing provisions.

Kemang will at all times remain a Wholly-Owned Subsidiary of the Issuer and a Restricted Subsidiary of the Company.

As of the Issue Date, PT Asiatic Sejahtera Finance, a Wholly-Owned Subsidiary of the Company having Rp533.5 billion in assets as of June 30, 2016, is an Unrestricted Subsidiary.

4.13 Restriction on Transfer of Assets to PT Lippo Cikarang Tbk or PT Gowa Makassar Tourism Development Tbk

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, transfer the Capital Stock of any Restricted Subsidiary or any assets of the Company or any Restricted Subsidiary to PT Lippo Cikarang Tbk or PT Gowa Makassar Tourism Development Tbk (for the avoidance of doubt, this Condition 4.13 shall not restrict the Company or any Restricted Subsidiary from making an Investment in such companies to the extent otherwise permitted herein).

4.14 Maintenance of Insurance

The Company shall and cause each Subsidiary to maintain insurance policies covering such risks, in such amounts and with such terms as are normally carried by similar companies engaged in a similar business to the Permitted Business in the country in which such entity is located.

4.15 Listing of the Notes

The Issuer shall, and the Company shall procure the Issuer to, make such filings, registrations or qualifications and take all other necessary action and will use its best efforts to obtain such consents, approvals and authorizations, if any, and satisfy all conditions that the SGX-ST may impose on listing of the Notes and shall use its best efforts to obtain such listing by no later than November 1, 2016 (and in the case of any Additional Notes, no later than two Business Days after the issuance of such Additional Notes) and maintain such listing.

4.16 Maintain Listing of the Company

The Company shall use its best efforts to maintain the listing of all the Common Stock of the Company on the Indonesia Stock Exchange, the SGX-ST or another internationally recognized stock exchange.

4.17 Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to (a) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business, (b) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens and (c) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (1) the business, results of operations or prospects of the Company and its Restricted Subsidiaries taken as a whole or (2) the ability of the Issuer, the Company or any Subsidiary Guarantor to perform its obligations under the Notes, the relevant Guarantee or the Trust Deed.

4.18 Changes in Covenants when Notes are Rated Investment Grade

If, on any date following the date of the Trust Deed, the Notes are rated Investment Grade from both of the Rating Agencies and no Default or Event of Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to be rated Investment Grade from either of the Rating Agencies, the following Conditions will not apply to the Notes:

(a) Condition 4.1 (Limitation on Indebtedness and Preferred Stock);

(b) Condition 4.2 (Limitation on Restricted Payments);

(c) Condition 4.3 (Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries);

(d) Condition 4.4 (Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries);

(e) Condition 4.6 (Limitation on Transactions with Shareholders and Affiliates);

(f) Condition 4.9 (Limitation on Asset Sales); and

(g) Condition 4.10 (Limitation on the Company's Business Activities).

Such covenants will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Company properly taken during the continuance of the Suspension Event, and Condition 4.2 will be interpreted as if it had been in effect since the date of the Trust Deed except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended.

4.19 Provision of Financial Statements and Reports

(a) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than ten calendar days after they are filed with the Indonesia Stock Exchange or any other national stock exchange on which the Company's Common Stock is at any time listed for trading, true and correct copies of any financial or other report in the English language (and an English translation of any financial or other report in any other language) filed with such exchange; *provided* that, if at any time the Common Stock of the Company ceases to be listed for trading on the Indonesia Stock Exchange or any other national stock exchange, the Company will file with the Trustee and furnish to the Holders (in the English language):

 (i) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognized firm of independent accountants; and

 (ii) as soon as they are available, but in any event within 60 calendar days after the end of each quarterly period of the Company, copies of its financial statements (on a consolidated basis) in respect of such quarterly period (including a statement of income, balance sheet and cash flow statement).

(b) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee (1) within 90 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent quarterly periods and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio; and (2) as soon as possible and in any event within 14 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

4.20 Consolidation, Merger and Sale of Assets

The Issuer will not consolidate with, merge with or into, another Person (other than the Company), permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets to any Person (other than the Company); provided that, in the event the Issuer so consolidates with, merges with or into, the Company or sells, conveys, transfers, leases or otherwise disposes of all or substantially all or substantially all of its properties and assets to the Company, the Company (or if the Company is not the surviving person, such surviving person), immediately after such transaction, will (a) assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Issuer under the Trust Deed and the Notes, which shall remain in full force and effect and (b) deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, in each case stating that such transaction and such supplemental trust deed complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with.

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (computed on a consolidated basis) in one transaction or a series of related transactions), unless:

(a) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation incorporated and validly existing under the laws of the Republic of Indonesia, Singapore or the United States or any jurisdiction thereof and shall expressly assume, by a supplemental trust deed to the Trust Deed, executed and delivered to the Trustee, all the obligations of the Company under the Trust Deed, the Notes and the Parent Guarantee, as the case may be, and the Trust Deed, the Notes and the Parent Guarantee, as the case may be, shall remain in full force and effect;

(b) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the Company or the Surviving Person or any Subsidiary as having been Incurred at the time of such transaction), no Default shall have occurred and be continuing;

(c) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(d) immediately after giving effect to such transaction on a *pro forma* basis, the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of Condition 4.1(a);

(e) the Company delivers to the Trustee (i) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with Conditions 4.20(c) and (d), and (ii) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental trust deed complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with;

(f) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this covenant shall execute and deliver a supplemental trust deed to the Trust Deed confirming that its Subsidiary Guarantee shall apply to the obligations of the Company, the Issuer, or the Surviving Person in accordance with the Notes and the Trust Deed; and

(g) the Company shall have delivered to the Trustee an Opinion of Counsel in the jurisdiction of incorporation of the Issuer or the Company and the Surviving Person to the effect that the holders of the Notes will not recognize income gain or loss for income tax purposes of such jurisdiction as a result of such transaction and will be subject to income tax in such jurisdiction on the same amounts, in the same manner and at the same times as would have been the case if such transaction had not occurred.

No Subsidiary Guarantor will consolidate with or merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its properties and assets (computed on a consolidated basis) in one transaction or a series of related transactions to another Person (other than the Company or another Subsidiary Guarantor), unless:

(A) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction;

(B) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of such Subsidiary Guarantor or the Surviving Person or any Subsidiary as having been Incurred at the time of such transaction), no Default shall have occurred and be continuing;

(C) immediately after giving effect to such transaction on a *pro forma* basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(D) immediately after giving effect to such transaction on a *pro forma* basis, the Company could Incur at least US$1.00 of Indebtedness under the proviso in the first sentence of Condition 4.1(a);

(E) the Company delivers to the Trustee (1) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with Conditions 4.20(C) and (D)) and (2) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental trust deed complies with this provision and that all conditions precedent provided for herein relating to such transaction have been complied with;

provided that this paragraph shall not apply to (i) any sale or other disposition (not being the sale or disposition of all or substantially all of its properties or assets) that complies with Condition 4.8 or Condition 4.9 or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with Condition 1.4 and (ii) a consolidation or merger of any Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor survives such consolidation or merger.

The Surviving Person will be the successor to the Company and shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Trust Deed, and the predecessor Company, except in the case of a lease, shall be released from the obligation to pay principal and interest on the Notes.

4.21 No Payments for Consents

The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Trust Deed or the Notes unless such consideration is offered to be paid and is paid to all Noteholders that consent, waive or agree to amend such terms or provisions in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

4.22 Payment of Stamp Duties and Other Taxes

The Issuer and the Company will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which are imposed by or on behalf of any jurisdiction in which the Issuer, the Company or any Subsidiary Guarantor is incorporated, resident or doing business for tax purposes in connection with the execution, delivery or registration of the Notes or any other document or instrument referred to in these Conditions.

4.23 Limitation on Activities of the Issuer

The Issuer will not engage in any business activity or undertake any other activity, except any activity (a) relating to the offering, sale or issuance of the Notes (including any Additional Notes), the Incurrence of Indebtedness represented by the Notes, contributing the proceeds thereof to Kemang by way of subscription of additional shares in the capital of, or as a shareholder loan to, Kemang and any other activities in connection therewith, (b) relating to the offering, sale or issuance of debt obligations similar to the Notes in the future, the incurrence of Indebtedness represented by such debt obligations, contributing the proceeds thereof to Kemang by way of subscription of additional shares in the capital of, or as a shareholder loan to, Kemang and any other activities in connection therewith, (c) undertaken with the purpose of fulfilling any obligations referred to in clauses (a) or (b) or the Trust Deed or the Agency Agreement or any future trust deed or agency agreement related to such obligations or the purpose of making and fulfilling obligations attributable to consent solicitations or tender offers for such obligations or refinancing of such obligations and any activities related thereto or (d) directly related to the establishment and/or maintenance of the Issuer's corporate existence.

The Issuer shall not (a) issue any Capital Stock other than the issuance of its ordinary shares to the Company or otherwise in a de *minimis* amount to local residents to the extent required by applicable law or (b) acquire or receive any property or assets (including, without limitation, any Equity Interests or Indebtedness of any Person), other than (x) the Capital Stock of Kemang, and (y) cash for ongoing corporate activities of the Issuer described in the preceding paragraph.

The Issuer shall at all times remain a Wholly-Owned Restricted Subsidiary of the Company.

In the event that the Issuer is the obligor on Indebtedness owed to Kemang, such Indebtedness must be unsecured and expressly subordinated in right of payment to the Notes.

Whenever the Issuer receives a dividend or distribution on the Capital Stock of Kemang, it shall use all or substantially all of the funds received solely to satisfy its obligations (to the extent of the amount owing in respect of such obligations) under the Notes, the Trust Deed and the Agency Agreement.

For so long as any Notes are outstanding, none of the Issuer, Kemang or the Company will commence or take any action to cause a winding-up or liquidation of the Issuer or Kemang except that the Issuer may be wound up or liquidated subsequent to a consolidation, merger or transfer of assets conducted in accordance with the first paragraph of Condition 4.20.

4.24 Amendments to or Prepayments of the Intercompany Loans

The Issuer will contribute the net proceeds of the offering to Kemang by way of subscription of additional shares in the capital of, or as a shareholder loan to, Kemang. The net proceeds of the contribution to Kemang will be on-lent to the Company and/or the Subsidiary Guarantors pursuant to one or more Intercompany Loans. The Intercompany Loans will be subordinated in right of payment to the Guarantees. The Company will unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by any Subsidiary Guarantor in respect of its obligations under the Intercompany Loan between such Subsidiary Guarantor and Kemang.

Without an Extraordinary Resolution duly passed at a meeting convened with a quorum of two or more persons holding or representing over 66 2/3% in principal amount of the Notes then outstanding, the Issuer and the

Company will not, and will not permit any Restricted Subsidiary to, (i) prepay or otherwise reduce or permit the prepayment or reduction of the Intercompany Loans or (ii) amend, modify or alter the instrument governing the Intercompany Loans in any manner adverse to the Holders; *provided* that, the quorum for passing an Extraordinary Resolution to approve the following matters shall be two or more persons holding or representing over 90.0% in principal amount of the Notes then outstanding:

(1) change the Stated Maturity of the Intercompany Loans;

(2) change the currency for payment of principal or interest on the Intercompany Loans; or

(3) reduce the above-stated quorum necessary to modify or amend the Intercompany Loans.

Notwithstanding the foregoing, without the consent of any Holder of Notes, the Intercompany Loans may be amended solely (x) to provide for the issuance of Additional Notes, and may be prepaid or reduced to facilitate or otherwise accommodate or reflect a redemption, repurchase or exchange of outstanding Notes in accordance with the Conditions or through any tender offer or exchange offer or (y) to reduce any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any Relevant Taxing Jurisdiction (as defined in Condition 7.2); *provided* that in the case of clause (y), prior to such amendment, the Issuer or the Company will deliver to the Trustee an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that such amendment to the Intercompany Loans will reduce such withholding or deduction.

The Issuer and the Company will not, and will not permit Kemang to, sell or otherwise transfer the Intercompany Loans or to directly or indirectly, incur, assume or permit to exist any Lien on Intercompany Loans.

4.25 Definitions

Set forth below are defined terms used in the covenants and other provisions of the Trust Deed. Reference is made to the Trust Deed for other capitalized terms used in these Conditions for which no definition is provided.

"*Acquired Indebtedness*" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary and not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary or the Asset Acquisition.

"*Adjusted Treasury Rate*" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield in maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"*Affiliate*" means, with respect to any Person, any other Person (a) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, (b) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (a) of this definition, or (c) who is a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (a) or (b). For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*Applicable Premium*" means with respect to a Note at any redemption date, the greater of (i) 1.00% of the principal amount of such Note and (ii) the excess of (A) the present value at such redemption date of (1) the redemption price of such Note on October 31, 2021 (such redemption price being described in Condition 7.3 "Optional Redemption" exclusive of any accrued interest) plus (2) all required remaining scheduled interest payments due on such Note through October 31, 2021, (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note.

"*Asset Acquisition*" means (a) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary, or (b) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

"*Asset Disposition*" means the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (a) all or substantially all of the Capital Stock of any Restricted Subsidiary or (b) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

"*Asset Sale*" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction and including any sale or issuance of the Capital Stock of any Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person other than the Company or any Restricted Subsidiary of any of its property or assets (including Capital Stock), in each case that is not governed by Condition 4.20; *provided* that "Asset Sale" shall not include:

(a) sales, transfers or other dispositions of inventory, (including properties under development for sale and completed properties for sale) in the ordinary course of business;

(b) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under Condition 4.2;

(c) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(d) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries; or

(e) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien.

"*Attributable Indebtedness*" means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate borne by the Notes of the total obligations of the lessee for rental payments during the remaining term of the lease in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended.

"*Average Life*" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (a) the sum of the products of (i) the number of years from such date of determination to the dates of each successive scheduled principal payment or redemption or similar payment of such Indebtedness and (ii) the amount of such principal payment by (b) the sum of all such principal payments.

"*Board of Directors*" means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"*Board Resolution*" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"*Business Day*" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, Hong Kong or Jakarta (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"*Capital Stock*" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"*Capitalized Lease*" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person. For the purpose of Condition 4.7, a Capitalized Lease will be deemed to be secured by a Lien on the property being leased.

"*Capitalized Lease Obligations*" means the capitalized amount of any rental obligations under a Capitalized Lease in accordance with GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of penalty.

"*Change of Control*" means the occurrence of one or more of the following events:

(a) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (within the meaning of Section 13(d) and 14(d) of the Exchange Act);

(b) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(c) any person is the beneficial owner of more than 30.0% of the total voting power of the Voting Stock of the Company;

(d) individuals who on the Issue Date constituted the Board of Directors (together with any new directors whose election by the Board of Directors was approved by a vote of at least 66% of the members of the Board of Directors then in office who were members of the Board of Directors on the Issue Date or whose election was previously so approved) cease for any reason to constitute a majority of the members of the Board of Directors then in office; or

(e) the adoption of a plan relating to the liquidation or dissolution of the Company.

"*Change of Control Triggering Event*" means the occurrence of both a Change of Control and a Rating Decline.

"*Common Stock*" means, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Trust Deed, and include, without limitation, all series and classes of such common stock or ordinary shares.

"*Comparable Treasury Issue*" means the United States Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

"*Comparable Treasury Price*" means, with respect to any redemption date: (1) the average bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities"; or (2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"*Consolidated EBITDA*" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(a) Consolidated Interest Expense;

(b) income taxes (other than income taxes attributable to extraordinary and non-recurring gains or sales of assets); and

(c) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income,

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP. The provision for income taxes and the depreciation and amortization expense and non-cash charges of a Restricted Subsidiary shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion) that the net income or loss of such Restricted Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted to be paid as dividends to the Company at the date of determination and without any approvals.

"*Consolidated Fixed Charges*" means, for any period, the sum (without duplication) of (a) Consolidated Interest Expense for such period and (b) all cash and non-cash dividends accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly-Owned Restricted Subsidiary; *provided* that such dividends will be multiplied by a fraction of the numerator of which is one and the denominator of which is one minus the effective combined tax rate of the issues of such Preferred Stock for such period.

"*Consolidated Interest Expense*" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred or paid during such period by the Company and its Restricted Subsidiaries, without duplication, (a) interest expense attributable to Capitalized Lease Obligations and one third of all annual payments attributable to leases constituting part of a Sale and Leaseback Transaction, (b) amortization of debt issuance costs and original issue discount expense and non-cash interest expense in respect of any Indebtedness, (c) the interest portion of any deferred payment obligation, (d) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (e) the net costs associated with Hedging Obligations (including the amortization of fees), (f) interest accruing on Indebtedness of any other Person that is guaranteed by, or secured on the assets of, the Company or any Restricted Subsidiary (other than Pre-Registration Mortgage Guarantees) proportionate to the extent that such Indebtedness is guaranteed or so secured, (g) any capitalized interest, (h) interest Incurred in connection with investments in discontinued operations and (i) cash contributions to an employee stock ownership plan or similar trust, which are used to pay interest on Indebtedness Incurred by such plan or trust; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a *pro forma* basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"*Consolidated Net Income*" means, with respect to any specified Person for any period, the aggregate net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(a) the net income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except to the extent of the amount of dividends or similar distributions actually paid in cash to the Company or a Restricted Subsidiary during such period (subject to the limitation in clause (c) below in the case of distributions paid to a Restricted Subsidiary; *provided* that the Company's equity in a net loss of such person shall be included, to the extent funded by the Company or a Restricted Subsidiary;

(b) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Company or any Restricted Subsidiary; *provided* that such transaction was accounted for in a manner similar to the pooling of interests;

(c) the net income of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary; *provided* that the Company's equity in a net loss of such person shall be included;

(d) the cumulative effect of a change in accounting principles;

(e) any net after-tax gains realized on the sale or other disposition of (A) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (B) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or any Restricted Subsidiary);

(f) any non-cash unrealized gains and losses due solely to fluctuations in currency values and related tax effects; and

(g) any net after-tax extraordinary or non-recurring gains.

"*Consolidated Net Worth*" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly or annual consolidated financial statements (available pursuant to Condition 4.19) of the Company prepared in accordance with GAAP (which the Company shall use its reasonable best efforts to compile in a timely manner), plus, to the extent not included, the par or stated value of any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, any accumulated deficit, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any Restricted Subsidiary, each item to be determined in conformity with GAAP.

"*Contractor Guarantees*" means guarantees by the Company or any Restricted Subsidiary of Indebtedness of any contractor, builder or other similar Person engaged by the Company or such Restricted Subsidiary in connection with the development, construction or improvement of real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary in the ordinary course of business, which Indebtedness was Incurred by such contractor, builder or other similar Person to finance the cost of such development, construction or improvement.

"*Currency Agreement*" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"*Default*" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"*Disqualified Stock*" means any class or series of Capital Stock of any Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise is (a) required to be redeemed prior to the Stated Maturity of the Notes, (b) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (c) convertible into or exchangeable for Capital Stock referred to in clause (a) or (b) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon-the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in Condition 4.9 and Condition 7.6 and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of the Notes as are required to be repurchased pursuant to Condition 4.9 and Condition 7.6.

"*Dollar Equivalent*" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by Bank Indonesia on the date of determination.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any private or public underwritten offering of Common Stock of the Company after the Issue Date to any Person other than an Affiliate of the Company; *provided* that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US$25.0 million (or the Dollar Equivalent thereof)

"*Fair Market Value*" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"*Fixed Charge Coverage Ratio*" means, on any Transaction Date, the ratio of (a) the aggregate amount of Consolidated EBITDA for the then most recent four quarterly periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available pursuant to Condition 4.19 (the "Four Quarterly Period") to (b) the aggregate Consolidated Fixed Charges during such Four Quarterly Period. In making the foregoing calculation:

(a) *pro forma* effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four Quarterly Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarterly Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such Four Quarterly Period shall not include any interest income actually earned during such Four Quarterly Period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;

(b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a *pro forma* basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(c) *pro forma* effect shall be given to Asset Sales and Asset Acquisitions and Investments (including giving *pro forma* effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(d) *pro forma* effect shall be given to asset dispositions and asset acquisitions and investments (including giving *pro forma* effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Sales or Asset Acquisitions or Investments had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (c) or (d) of this paragraph requires that *pro forma* effect be given to an Asset Acquisition or Asset Sales (or asset acquisition or asset disposition), such *pro forma* calculation shall be based upon the four full quarterly periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"*GAAP*" means generally accepted accounting principles in the Republic of Indonesia as in effect from time to time. All ratios and computations contained or referred to in the Trust Deed shall be computed in conformity with GAAP applied on a consistent basis.

"*guarantee*" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (b) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"*Guarantees*" means the Parent Guarantee and the Subsidiary Guarantees.

"*Hedging Obligation*" of any Person means the obligations of such Person pursuant to any Currency Agreement or Interest Rate Agreement.

"*Holder*" means the Person in whose name a Note is registered in the Note register.

"*Incur*" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (a) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (b) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on Preferred Stock in the form of additional shares of Preferred Stock (to the extent provided for when the Indebtedness or Preferred Stock on which such interest or dividend is paid was originally issued) shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"*Indebtedness*" means, with respect to any Person at any date of determination (without duplication):

(a) all indebtedness of such Person for borrowed money;

(b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(c) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments (including any premium to the extent such premium has become due and payable);

(d) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(e) all Capitalized Lease Obligations and Attributable Indebtedness;

(f) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (i) the Fair Market Value of such asset at such date of determination and (ii) the amount of such Indebtedness;

(g) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;

(h) to the extent not otherwise included in this definition, Hedging Obligations; and

(i) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

Notwithstanding the foregoing, Indebtedness shall not include any capital commitments or similar obligations Incurred in the ordinary course of business in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights) to be used in a Permitted Business; *provided* that such Indebtedness is not reflected on the balance sheet of the Company or any Restricted Subsidiary (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet).

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(a) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP, and

(b) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to pre-fund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest.

"*Intercompany Loans*" means the loan or the loans in U.S. dollars between the Company or the Subsidiary Guarantors (as the case may be), as borrower, and Kemang, as lender, pursuant to intercompany loan agreements as may be entered into, for an aggregate amount equal to at least the net proceeds of the offering of the Notes, or any similar intercompany loan entered into between the Company or the Subsidiary Guarantors, as the case may be, and Kemang in connection with the sale of Additional Notes.

"*Interest Rate Agreement*" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"*Investment*" means:

(a) any direct or indirect advance, loan or other extension of credit to another Person;

(b) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(c) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

(d) any guarantee of any obligation of another Person.

For the purposes of the provisions of Conditions 4.2 and 4.12: (i) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the Company's proportionate interest in the assets (net of the Company's proportionate interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not guaranteed by the Company or a Restricted Subsidiary) of such Unrestricted Subsidiary at the time of such designation, and (ii) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

The acquisition by the Company or a Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person.

"*Investment Grade*" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "—" indication, or an equivalent rating representing one of the four highest Rating Categories, by S&P or any of its successors or assigns or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest Rating Categories, by Moody's or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Moody's or both, as the case may be.

"*Investment Property*" means all of the investment properties of the Company and its Restricted Subsidiaries consisting of apartments, condominiums, hotels, hospitals, urban developments, offices, houses, retail shopping malls, shophouses, memorial parks and car parks existing on December 31, 2011.

"*Issue Date*" means the date on which the Notes (other than Additional Notes) are issued under the Trust Deed.

"*Lien*" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"*Moody's*" means Moody's Investors Service and its affiliates.

"*Net Cash Proceeds*" means: (a) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of:

(1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

(2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

(3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (A) is secured by a Lien on the property or assets sold or (B) is required to be paid as a result of such sale;

(4) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP;

(5) all distributions and other payments required to be made to minority interest holders; and

(6) any portion of the purchase price placed in escrow (until the termination of such escrow and up to the amount of funds released from such escrow); and

(b) with respect to any capital contribution or issuance or sale of Capital Stock, the proceeds of such capital contribution, issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such contribution, issuance or sale, net of taxes paid or payable as a result thereof and net of the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Indebtedness of the Company or any Restricted Subsidiary.

"*Offer to Purchase*" means an offer to purchase the Notes by the Issuer or the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(a) the Condition pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(b) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(c) that any Note not tendered will continue to accrue interest pursuant to its terms;

(d) that, unless the Issuer or the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(e) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Paying Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(f) that Holders will be entitled to withdraw their election if the Paying Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(g) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 and integral multiples of US$1,000 in excess thereof.

On the Offer to Purchase Payment Date, the Issuer or the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; (b) one Business Day prior to the Offer to Purchase Payment Date, deposit with the Paying Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted; and (c) deliver, or cause to be delivered, to the Registrar all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Issuer or the Company. The Paying Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$200,000 each and integral multiples of US$1,000 in excess thereof. The Issuer or the Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Issuer or the Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Issuer or the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Issuer or the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Issuer or the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"*Offering Circular*" means the offering circular dated October 24, 2016 prepared in connection with the issue of the Notes, as amended or supplemented (and for the purposes of Condition 4.11 only, in the case of any Additional Notes, the offering circular, if any, prepared in connection with such Additional Notes, as amended or supplemented).

"*Officer*" means the managing director of the Issuer, in the case of the Issuer, or one of the executive officers of the Company, in the case of the Company or, in the case of a Subsidiary Guarantor, one of the directors or executive officers of such Subsidiary Guarantor.

"*Officers' Certificate*" means a certificate signed by two Officers.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel, if so acceptable, may be an employee of or counsel to the Issuer, the Company or the Trustee. Each such Opinion of Counsel shall include:

(a) a statement that the person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

"*Permitted Business*" means any business conducted or proposed to be conducted (as described in the Offering Circular) by the Company and its Restricted Subsidiaries on the Issue Date and other businesses reasonably related or ancillary thereto.

"*Permitted Investment*" means:

(a) any Investment in the Company or a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary or be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Company or a Restricted Subsidiary;

(b) Temporary Cash Investments;

(c) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP and not in excess of US$1.0 million (or the Dollar Equivalent thereof) outstanding at any time;

(d) stock, obligations or securities received in satisfaction of judgments;

(e) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(f) any Investment pursuant to a Hedging Obligation entered into in the ordinary course of business (and not for speculation) and designed solely to protect the Company or any Restricted Subsidiary against fluctuations in interest rates, foreign currency exchange rates or commodity prices;

(g) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(h) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with the covenant described under Condition 4.9;

(i) pledges or deposits (i) with respect to leases or utilities provided to third parties in the ordinary course of business or (ii) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under Condition 4.7;

(j) any Investment pursuant to Contractor Guarantees by the Company or any Restricted Subsidiary;

(k) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(l) any guarantees given pursuant to Condition 4.1(b)(xi);

(m) repurchases of Notes;

(n) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers, compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of a Permitted Business.;

(o) Investments in Unrestricted Subsidiaries or joint ventures for and/or engaged in the Permitted Business, when taken together with all other Investments in Unrestricted Subsidiaries or joint ventures made pursuant to this clause (o), do not exceed 7.5% of Total Assets; and

(p) any Investment pursuant to Pre-Registration Mortgage Guarantees by the Company or any Restricted Subsidiary otherwise permitted herein.

"*Permitted Liens*" means:

(a) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(b) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(c) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(d) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(e) Liens encumbering property or assets in connection with the development, construction or improvement of real or personal property or equipment to be used in a Permitted Business by the Company or any Restricted Subsidiary arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

(f) any interest or title of a lessor in the property subject to any operating lease;

(g) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided* further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(h) Liens in favor of the Company or any Restricted Subsidiary;

(i) Liens arising from attachment or the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;

(j) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof or (ii) Liens in favor of any bank having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Company or any Restricted Subsidiary on deposit with or in possession of such bank;

(k) Liens existing on the Issue Date;

(l) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under Condition 4.1(b)(iv); *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(m) Liens (including extensions and renewals thereof) upon real or personal property acquired after the Issue Date; *provided* that (i) such Lien is created solely for the purpose of securing Indebtedness Incurred under Condition 4.1(b)(vi) and such Lien is created prior to, at the time of or within 120 days after the later of the acquisition or the completion, development, construction or improvement of the property, (ii) the principal amount of the Indebtedness secured by such Lien does not exceed 100.0% of the cost of such property, development, construction or improvement and (iii) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item;

(n) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;

(o) Liens securing Indebtedness under Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any Restricted Subsidiary from fluctuations in interest rates, currencies or commodity prices and not for speculation;

(p) Liens securing Indebtedness which is Incurred in connection with a Sale and Leaseback Transaction in accordance with Condition 4.8(b).;

(q) Liens securing Indebtedness of the Company or any Restricted Subsidiary under any Pre-Registration Mortgage Guarantee which is permitted to be Incurred under Condition 4.1(b)(xiv); and

(r) Liens securing Permitted Priority Indebtedness;

provided that, with respect to Liens on the property or assets of Kemang, Permitted Liens will include only Liens described in paragraphs (a), (b) and (i) above.

"*Permitted Priority Indebtedness*" means any Priority Indebtedness; provided that, on the date of determination, the aggregate amount of Priority Indebtedness then outstanding does not exceed 15% of Total Assets. In making the foregoing calculations, the amount of Permitted Priority Indebtedness, Priority Indebtedness and Total Assets as of any date of determination shall be as of the date (the "Reference Date") of the last day of the most recent quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available and have been provided to the Trustee pursuant to Condition 4.19, calculated after giving pro forma effect to:

(a) any Priority Indebtedness Incurred, repaid or redeemed during the period from the Reference Date to such date of determination (the "Relevant Period");

(b) the provision of any Liens on Indebtedness during the Relevant Period that would result in such Indebtedness becoming Priority Indebtedness, or the release of any Liens during the Relevant Period that would result in any Priority Indebtedness ceasing to meet the definition of Priority Indebtedness;

(c) the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries during the Relevant Period;

(d) the creation of any Non-Guarantor Subsidiaries during the Relevant Period;

(e) Asset Sales and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Sales) during the Relevant Period; and

(f) asset sales and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset sale) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during the Relevant Period and that would have constituted Asset Sales or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset sales or asset acquisitions were Asset Sales or Asset Acquisitions.

"*Person*" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"*Preferred Stock*" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person.

"*Pre-Registration Mortgage Guarantees*" means any Indebtedness of the Company or any Restricted Subsidiary (other than Kemang) consisting of a guarantee in favor of any bank or other similar financial institutions in the ordinary course of business of secured loans of purchasers of properties from the Company or any Restricted Subsidiary (other than Kemang); provided that any such guarantee shall be released in full on or before the perfection of a security interest in such properties under applicable law in favor of the relevant lender.

"*Priority Indebtedness*" means, without duplication (a) any Indebtedness of any Restricted Subsidiary (other than a Subsidiary Guarantor, the Issuer, Kemang or any Subsidiary of the Company that issues debt obligations similar to the Notes) other than Indebtedness Incurred, and that continues to be classified, under Condition 4.1(b)(iii) and (b) any Secured Indebtedness of the Issuer or a Guarantor (other than the Notes or Indebtedness Incurred, and that continues to be classified, under Condition 4.1(b)(iii)).

"*Qualified Receivables*" means the right of the Company or any Restricted Subsidiary (other than Kemang) to receive scheduled instalment payments from purchasers of residential properties sold by the Company or such Restricted Subsidiary on secured loans provided by the Company or such Restricted Subsidiary in the ordinary course of business to such purchasers to fund the purchase price of such properties.

"*Qualified Receivables Transaction*" means a transaction or a series of transactions entered into by the Company or any Restricted Subsidiary (other than Kemang) pursuant to which the Company or such Restricted Subsidiary sells or otherwise transfers to a domestic bank or other financial institution in Indonesia Qualified Receivables; where the gross cash proceeds from such sale or transfer are at least 85.0% of the aggregate principal amount of the Qualified Receivables sold or transferred.

"*Rating Agencies*" means (a) S&P, (b) Moody's and (c) if S&P or Moody's or both shall not make a rating of the Notes publicly available, an internationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Moody's or both, as the case may be; *provided* that in the case of Condition 4.18, Rating Agencies shall mean S&P and Moody's or their respective successors.

"*Rating Category*" means (a) with respect to S&P, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (b) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (c) the equivalent of any such category of S&P or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "—" for S&P; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"*Rating Date*" means (a) in connection with a Change of Control Triggering Event, that date which is 90 days prior to the earlier of (i) a Change of Control and (ii) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control or (b) in connection with actions contemplated under Condition 4.20 that date which is 90 days prior to the earlier of (i) the occurrence of any such actions as set forth therein and (ii) a public notice of the occurrence of any such actions.

"*Rating Decline*" means (a) in connection with a Change of Control Triggering Event, the occurrence on, or within six months after, the date, or public notice of the occurrence of, a Change of Control or the intention by the Company or any Person or Persons to effect a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below, or (b) in connection with actions contemplated under Condition 4.20, the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(A) in the event the Notes are rated by both Moody's and S&P on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;

(B) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as

(C) Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(D) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"*Reference Treasury Dealer*" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Issuer in good faith.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day immediately preceding such redemption date.

"*Replacement Assets*" means properties and assets (other than current assets) that replace the properties and assets that were subject to an Asset Sale or properties and assets (other than current assets) that will be used in a Permitted Business (for the avoidance of doubt, Replacement Assets shall include Capital Stock of a company whose primary assets are properties and assets (other than current assets) that will be used in a Permitted Business, subject to where (a) the Company or a Restricted Subsidiary acquiring more than 50.0% of the total voting power of the outstanding Capital Stock of such company and such company becomes a Restricted Subsidiary or (b) such acquisition of Capital Stock is in compliance with Condition 4.2 (other than by compliance with paragraph (h) of the definition of Permitted Investment).

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Services and its affiliates.

"*Sale and Leaseback Transaction*" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"*Secured Indebtedness*" means any Indebtedness of the Company or a Restricted Subsidiary secured by a Lien.

"*Senior Indebtedness*" of the Company or any Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or such Restricted Subsidiary, as relevant, whether outstanding on the Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be not senior in right of payment to the Notes or, in respect of the Company, its Guarantee or, in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (a) any obligation to the Company or any Restricted Subsidiary, (b) trade payables or (c) Indebtedness Incurred in violation of the Trust Deed or these Conditions.

"*Stated Maturity*" means, (a) with respect to any Indebtedness, the date specified in such debt instrument as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (b) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"*Subordinated Indebtedness*" means any Indebtedness of the Company or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes or any Guarantee, as applicable, pursuant to a written agreement to such effect.

"*Subsidiary*" means, with respect to any Person, any corporation, association or other business entity of which more than 50.0% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person.

"*Subsidiary Guarantee*" means any guarantee of the due and punctual payment of all sums from time to time payable by the Issuer in respect of its obligations under the Notes, the Trust Deed and the Agency Agreement by any Subsidiary Guarantor.

"*Subsidiary Guarantor*" means any initial Subsidiary Guarantor named herein and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to a supplemental trust deed to the Trust Deed; *provided* that Subsidiary Guarantor will not include any Person whose Subsidiary Guarantee has been released in accordance with the Trust Deed and the Notes.

"*Temporary Cash Investment*" means any of the following:

(a) direct obligations of the United States of America and any state of the European Economic Area or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America and any state of the European Economic Area or any agency thereof, in each case maturing within one year;

(b) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is incorporated under the laws of the

United States of America or any state thereof, any state of the European Economic Area and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(c) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (a) above entered into with a bank or trust company meeting the qualifications described in clause (b) above;

(d) commercial paper, maturing within 180 days of the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) incorporated and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(e) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, Hong Kong or Singapore and rated at least "A" by S&P or Moody's;

(f) any mutual fund that has at least 95.0% of its assets continuously invested in investments of the types described in clauses (a) through (e) above; and

(g) time deposit accounts, certificates of deposit, money market deposits and principal protected financial instruments maturing within 90 days of the date of acquisition thereof issued by any bank incorporated or licensed to operate under the laws of Indonesia or Singapore whose long-term debt is rated "A" or higher according to at least one nationally recognized Indonesian or Singaporean, as applicable, statistical rating organization (or another recognized financial institution) and which has capital and surplus in excess of US$200.0 million; *provided*, however, that no more than the greater of (i) US$10.0 million (or the Dollar Equivalent thereof) and (ii) 50.0% of the aggregate of all Temporary Cash Investments may at any date of determination be made in any one such entity.

"*Total Assets*" means, as of any date of determination, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available and have been provided to the Trustee pursuant to Condition 4.19; *provided* that only with respect to the definition of "Permitted Priority Indebtedness," Total Assets shall be calculated after giving *pro forma* effect to include the cumulative value of all of the real or personal property, asset or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and calculation of Total Assets thereunder, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any of its Restricted Subsidiaries to the bank or other similar financial institutional lender providing such Indebtedness.

"*Trade Payables*" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within 90 days.

"*Transaction Date*" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"*Transaction Documents*" means the Trust Deed, the Agency Agreement, the Notes and the Guarantees.

"*Unrestricted Subsidiary*" means (a) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in Condition 4.12 and (b) any Subsidiary of an Unrestricted Subsidiary.

"*Voting Stock*" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"*Wholly-Owned*" means, with respect to any Subsidiary of any Person, the ownership of 100.0% of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person.

5. INTEREST

5.1 Interest Payment Date

The Notes bear interest from and including the Issue Date or the most recent Interest Payment Date (as defined below) at the rate of 6.75% per annum. Interest is payable semi-annually in arrear on April 30 and October 31 in each year (each payment date, an "Interest Payment Date"), commencing on April 30, 2017. If any Interest Payment Date is not a Business Day, payment may be made on the next succeeding day that is a Business Day, and no interest shall accrue for the intervening period. Interest on the Notes will accrue from (and including) the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date and ending on (but excluding) the next Interest Payment Date. Each period beginning on and including the Issue Date or any Interest Payment Date and ending on but excluding the next Interest Payment Date is called an "Interest Period."

5.2 Cessation of Interest

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven calendar days after the Principal Paying Agent or the Trustee has notified the relevant Noteholders that it has received all sums due in respect of the relevant Notes up to such seventh calendar day (except to the extent that there is any subsequent default in payment).

5.3 Calculation of Interest

The amount of interest payable in respect of each Note for any Interest Period shall be calculated by applying the applicable rate of interest to the principal amount of such Note (excluding premium, if any), dividing the product by two and rounding the resulting figure to the nearest cent (half a cent being rounded upwards). If interest is required to be calculated for any period other than a scheduled Interest Period, it will be calculated on the basis of a 360-day year consisting of 12 30-day months and in the case of an incomplete month, the actual number of days elapsed on the basis of a month of 30 days.

6. PAYMENTS

6.1 Principal and Interest

Payments of principal, premium, if any, and interest on the Notes will be made in U.S. dollars, against presentation or surrender (as the case may be) (or, in the case of partial payment, endorsement) of the relevant Definitive Certificates at the specified office of any Paying Agent. Payments of principal and/or interest in respect of the Notes shall be made by cheque in U.S. dollars drawn on, or by transfer to a U.S. dollar account maintained by the payee with, a bank in New York.

Payments of premium, if any, and interest in respect of Certificates may only be made at specified offices of Paying Agents outside the United States, except that they may be made at the specified office of a Paying Agent in New York City if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such offices of the full amount of the premium, if any, and interest on the Notes in U.S. dollars when due, (b) payment of the full amount of such premium, if any, and interest at all specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions, and (c) the relevant payment is permitted by applicable U.S. law. If a Definitive Certificate is presented for payment of principal at the specified office of the Paying Agent in the United States in circumstances where interest (if any is payable against presentation of the Definitive Certificate) or premium, if any, is not to be paid there, the relevant Paying Agent will annotate the Definitive Certificate with the record of the principal paid and return it to the Noteholder for the obtaining of premium, if any, and interest elsewhere.

Payments in respect of Definitive Certificates will be made by U.S. dollar cheque drawn on a bank in New York and posted on the Business Day immediately preceding the relevant due date to the holder (or to the first-named of joint holders) of the relevant Notes appearing on the Register at the close of business on the fifteenth day before the relevant due date (the "Record Date") at the risk of such holder at the address shown on the Register on the Record Date.

Upon application by the holder of any Definitive Certificate to the specified office of the Registrar not later than the Record Date for any payment in respect of such Definitive Certificate, such payment will be made by transfer to the specified account of such holder. Any such application for transfer to such an account shall be deemed to relate to all future payments in respect of the Definitive Certificates which become payable to the Noteholder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such Noteholder.

If the due date for payment in respect of any Definitive Certificate is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Issue Date, shall be payable only against surrender of the relevant Definitive Certificate.

6.2 Fiscal Laws

All payments in respect of the Notes are subject in all cases to any applicable laws and regulations, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

7. REDEMPTION, PURCHASE AND CANCELLATION

7.1 Scheduled Redemption

Unless previously redeemed or purchased and cancelled as provided in these Conditions, the Notes will be redeemed at their principal amount on October 31, 2026.

7.2 Optional Redemption for Changes in Withholding Taxes

The Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time upon giving of notice as provided in Condition 7.7 (which notice shall be irrevocable) at a redemption price equal to 100.0% of the principal amount at maturity thereof, together with accrued and unpaid interest to the date fixed by the Issuer for redemption, if the Issuer determines and certifies to the Trustee in an Officers' Certificate immediately prior to the giving of such notice that, as a result of any change in, or amendment to, the laws or treaties (including any regulations or rulings promulgated thereunder) of any jurisdiction in which the Issuer, the Company, Kemang or any of the Subsidiary Guarantors is incorporated, resident or doing business for tax purposes or from or through which any of the foregoing makes any payment on the Notes or by or within any department, political subdivision or governmental authority of or in any of the foregoing having power to tax (each, a "Relevant Taxing Jurisdiction") affecting taxation, or any change in official position regarding the application, interpretation or administration of such laws, treaties, regulations or rulings (including a holding judgment or order by a court of competent jurisdiction), which change, amendment, application, interpretation or administration is announced and becomes effective on or after the Issue Date with respect to any payment due or to become due under the Notes or the Trust Deed, the Issuer (or if any Guarantee were called, the Company or any of the Subsidiary Guarantors) is, or on the next Interest Payment Date would be, required to pay Additional Amounts (as defined in Condition 8) on or in respect thereof and such obligation to pay Additional Amounts cannot be avoided by the taking of reasonable measures by the Issuer, the Company or any of the Subsidiary Guarantor), as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer, the Company or any of the Subsidiary Guarantors would be obliged to pay such Additional Amounts; *provided* further that where any Additional Amounts due in accordance with Condition 8 are in consequence of the laws or treaties of the Republic of Indonesia this Condition 7 shall only have effect to permit the Notes to be redeemed in the event that the rate of withholding or deduction required by such law or treaty is in excess of 20.0% (the "Minimum Withholding Level").

Prior to the publication and giving of any notice of redemption of the Notes pursuant to Condition 7.7, the Issuer will deliver to the Trustee:

(a) an Officers' Certificate, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred;

(b) an Opinion of Counsel or written advice of a qualified tax expert, such counsel or tax expert being from an internationally recognized law or accountancy firm reasonably acceptable to the Trustee, that the Issuer, the Company or any of the Subsidiary Guarantors, as the case may be, has or will become obliged to pay Additional Amounts as a result of such change, amendment, application, interpretation or administration. Such certificate and opinion or advice shall be made available for inspection by the Noteholders; and

(c) in the case of a redemption where the Minimum Withholding Level has been exceeded, an Opinion of Counsel or written advice of a qualified tax expert of the standing set out in Condition 7.2(b) above, that the Issuer, or the Company or any of the Subsidiary Guarantors, as the case may be, has or will become obliged to pay Additional Amounts and that the Minimum Withholding Level has been exceeded.

7.3 Optional Redemption

The Issuer may redeem all or any portion of the Notes at any time on and from October 31, 2021, at once or over time, upon giving of notice as provided in Condition 7.7 (which notice shall be irrevocable). The Notes may be redeemed at the redemption prices set forth below plus accrued and unpaid interest to (but excluding) the date fixed for redemption (subject to the right of the Noteholders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date.) The following redemption prices are for Notes redeemed during the 12-month period commencing on October 31 of each of the years set forth below, and are expressed as percentages of the principal amount:

Year	Redemption Price
2021	103.375%
2022	102.250%
2023	101.125%
2024 and thereafter	100.000%

7.4 Equity Clawback

At any time prior to October 31, 2019, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more Equity Offerings at a redemption price of 106.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

7.5 Make Whole Redemption

Prior to October 31, 2021, the Issuer will be entitled at its option to redeem all or any portion of the Notes at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium as of, and accrued and unpaid interest to, the redemption date (subject to the right of Noteholders on the relevant record date to receive interest due on the relevant Interest Payment Date). Notice of such redemption must be mailed by first-class mail to each Noteholder's registered address, not less than 30 nor more than 60 days prior to the redemption date.

7.6 Repurchase of Notes Upon a Change of Control Triggering Event

No later than 30 days following a Change of Control Triggering Event, the Issuer will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101.0% of the principal amount thereof plus accrued and unpaid interest, if any, to the Offer to Purchase Payment Date.

The Issuer has agreed in the Trust Deed that it will timely repay all Indebtedness or obtain consents as necessary under or terminate agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Trust Deed. Notwithstanding this agreement of the Issuer, it is important to note that *if the Issuer is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the Issuer's failure to make a Change of Control Offer or purchase tendered Notes would constitute an Event of Default.*

The definition of Change of Control includes a phrase relating to the sale of "all or substantially all" the assets of the Company. Although there is a limited body of case law interpreting the phrase "substantially all," no precise definition of the phrase has been established. Accordingly, the ability of a Noteholder to require the Issuer to repurchase such Holder's Note as a result of a sale of less than all the assets of the Company to another person or group is uncertain and will dependent upon particular facts and circumstances.

Notwithstanding the above, the Issuer will not be required to make a Change of Control Offer following a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Trust Deed applicable to a Change of Control Offer made by us and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

Except as described above with respect to a Change of Control Triggering Event, the Trust Deed does not contain provisions that permit the Holders to require that the Issuer purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Trustee and Agents shall not be required to take any steps to ascertain whether a Change of Control Triggering Event has occurred and shall not be responsible or liable to the Holders, the Issuer, the Company, the Subsidiary Guarantors or any other person for any loss arising from any failure to do so.

7.7 Notice of Redemption

Notice of redemption will be given or published at least 30 days but not more than 60 days before the redemption date to the Noteholders. Unless the Issuer shall default in payment of the redemption price plus accrued interest to the redemption date specified in such notice, on and after the redemption date interest ceases to accrue on such Notes. Notes in denominations larger than US$200,000 may be redeemed in part but only in whole multiples of US$200,000 and integral multiples of US$1,000 in excess thereof.

7.8 No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 7.1 to 7.6 above.

7.9 Purchase

Notwithstanding anything else in these Conditions, the Issuer, the Company and any Subsidiary of the Company may at any time purchase Notes in the open market or otherwise and at any price and such Notes shall be surrendered to any Paying Agent for cancellation.

7.10 Cancellation

All Notes redeemed shall be cancelled and all Notes so cancelled and Notes cancelled pursuant to Condition 7.9 above may not be reissued or resold.

8. TAXATION

All payments by, or on behalf of, the Issuer, the Company or any of the Subsidiary Guarantors in respect of principal, premium, if any, and interest on the Notes or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer, the Company or any of the Subsidiary Guarantors, as the case may be, shall pay such additional amounts ("Additional Amounts") as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

   (i) the existence of any present or former connection between such Noteholder and Singapore or, in the case of payments made by the Company or any Subsidiary Guarantor, the Republic of Indonesia or such other jurisdiction in which such Subsidiary Guarantor is incorporated, as the case may be, other than merely holding such Note or by the receipt of amounts in respect of the Note, or the exercise or enforcement of rights under any Note or Guarantee; or

(ii) presentation of such Note (where presentation is required) more than 30 calendar days after the later of (A) the date on which the payment first became due and payable and (B) if the full amount payable has not been received in New York City by the Trustee or the Principal Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Noteholders, except to the extent that such Noteholder would have been entitled to such Additional Amounts if it had presented such Note for payment on the last day of such period of 30 calendar days; or

(b) any withholding or deduction imposed by reason of the failure of the holder, following the Issuer's written request addressed to the holder, to comply with any certification, identification, information or other reasonable reporting requirements (to the extent that such holder is legally eligible to do so), whether required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, taxes imposed by the Relevant Taxing Jurisdiction (including, without limitation, a certification that the holder is not resident in the Relevant Taxing Jurisdiction);

(c) (until January 1, 2017 (on which date European Council Directive 2003/48/EC will be generally repealed)) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) any withholding or deduction by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a Member State of the European Union.

The payment of principal or interest in respect of any Note or the net proceeds received on the sale or exchange of any Note or the payment of any amount in respect of the Guarantees shall be deemed to include the payment of Additional Amounts provided for in these Conditions or the Trust Deed to the extent that Additional Amounts are, were or would be payable in respect thereof pursuant to these Conditions or the Trust Deed.

9. EVENTS OF DEFAULT

If any of the following events (other than an Event of Default specified in paragraphs (g) or (h) of this Condition 9) occurs and is continuing, the Trustee at its discretion may, and if so requested in writing by the Noteholders representing at least 25.0% in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, shall (subject to the Trustee being indemnified and/or secured to its satisfaction) give written notice to the Issuer and the Company declaring that the Notes are, and upon such declaration they shall become, immediately due and payable at their principal amount together with any accrued interest, any premium, and any Additional Amounts, without further action or formality:

(a) Non-payment of interest: default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 calendar days;

(b) Non-payment of principal: default in the payment of the principal or premium, if any, of any Note when the same becomes due and payable at maturity or otherwise or a failure to redeem or purchase Notes when required pursuant to the Trust Deed or the Notes;

(c) Breach of other obligations: the Issuer, the Company or any Subsidiary Guarantor defaults in the performance or observance of any other covenants or agreements in the Trust Deed, the Notes, the Agency Agreement, any Guarantee or the Intercompany Loans and the default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is capable of remedy continues for 30 calendar days after the date on which written notice of such default is given to the Issuer, the Company and the Subsidiary Guarantors by the Trustee or given to the Issuer, the Company, the Subsidiary Guarantors and the Trustee by holders of at least 25.0% in aggregate principal amount of the Notes then outstanding hereunder;

(d) Change of Control Triggering Event: the failure by the Issuer to (i) make an Offer to Purchase or (ii) the Issuer fails to purchase tendered Notes in the manner described in Condition 7.6;

(e) Cross-acceleration: there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$15 million (or its Dollar Equivalent) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, an event of default (including a payment default) that has caused the holders thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity under any instrument or instruments under which there is or maybe secured or evidenced any Indebtedness;

(f) Unsatisfied judgment: any final judgment or order from which no further appeal or judicial review is permissible for the payment of money shall be rendered against the Issuer, the Company or any Subsidiary Guarantor in an amount in excess of US$15 million (or its Dollar Equivalent) individually or in the aggregate for all such final judgments or orders against all such Persons (treating any deductibles, self-insurance or retention as not so covered) and shall not be discharged, and there shall be any period of 30 consecutive days following entry of the final judgment or order in excess of US$15 million (or its Dollar Equivalent) individually or in the aggregate during which a stay of enforcement of such final judgment or order, irrespective of reason, shall not be in effect;

(g) Insolvency and Rescheduling: if, in relation to the Issuer, the Company or any Subsidiary Guarantor:

  (i) it ceases or threatens to cease to carry on its business or a substantial part of its business;

  (ii) any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer, the Company or any Subsidiary Guarantor or for the appointment of a liquidator, curator in bankruptcy, or receiver of the Issuer, the Company or any Subsidiary Guarantor or of all or substantially all of their assets;

  (iii) it is unable to honor its obligations as they fall due;

  (iv) it commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of its Indebtedness, or the Issuer makes an assignment for the benefit of, or enters into any general assignment with its creditors;

  (v) the Issuer files a petition for a suspension of payments or for bankruptcy or is declared bankrupt or becomes subject to any other regulation having similar effect; or

  (vi) the Company or any Subsidiary Guarantor files a petition for a suspension of payments or for bankruptcy or is declared bankrupt or becomes subject to any other regulation having similar effect;

(h) Creditors' Process: any expropriation, attachment, sequestration, distress or execution (including, in relation to the Issuer conservatory attachment or executory attachment) affects all or substantially all of the assets of the Issuer, the Company or any Subsidiary Guarantor and is not discharged within 30 days;

(i) Analogous Events: any event occurs in respect of the Issuer, the Company or any Subsidiary Guarantor, which under the laws of any relevant jurisdiction has a similar or analogous effect to any of those events mentioned in paragraphs (g) and (h) above;

(j) Guarantee Not in Force: any Guarantee of the Notes is not (or is claimed by the Company or any Subsidiary Guarantor not to be) in full force and effect;

(k) Moratorium or Expropriation: a moratorium is agreed or declared in respect of any Indebtedness of the Issuer, the Company or any Subsidiary Guarantor or any governmental authority shall take any action to condemn, seize, nationalise or appropriate all or a substantial part of the assets of the Issuer, the Company or any Subsidiary Guarantor or any of the Capital Stock of the Company or shall take any action that prevents or will prevent the Issuer, the Company or any Subsidiary Guarantor from performing its payment obligations under these Conditions, the Trust Deed, the Guarantees or the Notes, or the Issuer, the Company or any Subsidiary Guarantor shall be prevented from exercising normal control over all or a substantial part of its property;

(l) Repudiation: the Issuer, the Company or any Subsidiary Guarantor repudiates the Trust Deed, the Agency Agreement, the Guarantees or the Notes or does or causes or permits to be done any act or thing evidencing an intention to repudiate such agreement;

(m) Currency Controls: the capital and/or currency exchange controls in place in the Republic of Indonesia or Singapore on the Issue Date shall be modified or amended in a manner that prevents or will prevent the Issuer or the Company or any Subsidiary Guarantor from performing its payment obligations under these Conditions, the Trust Deed, the Guarantees or the Notes;

(n) Cessation of Ownership: the entire issued share capital of the Issuer ceases to be wholly-owned, directly or indirectly, by the Company, or the entire issued share capital of Kemang ceases to be wholly-owned, directly or indirectly, by the Issuer; or

(o) Unlawfulness: it is or will become unlawful for the Issuer, the Company or any Subsidiary Guarantor to perform or comply with any of its obligations under or in respect of the Notes, the Guarantees, the Trust Deed or the Agency Agreement.

If an Event of Default specified in paragraph (f) or (g) of this Condition 9 occurs, the principal of, premium on, if any, and accrued interest (and any Additional Amounts thereon) on all the Notes shall become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Noteholders.

If the Trustee is unable in its sole discretion to determine whether an Event of Default or Default is capable or incapable of remedy and/or an event is materially prejudicial to the interests of the Noteholders, it may call for and rely conclusively on a resolution of the Noteholders to make such determination and the Trustee shall not be obliged to make any determination unless it has been indemnified and/or secured to its satisfaction.

The Issuer and the Company shall promptly deliver to the Trustee written notice of any Default or Event of Default upon the Issuer, the Company or any Subsidiary Guarantor, as the case may be, becoming aware of such Default or Event of Default. The Trustee shall notify the Noteholders of the receipt of any such certificate or notice.

10. PRESCRIPTION

Claims for principal shall become void unless the relevant Notes are presented for payment as required by Condition 6 within ten years of the appropriate relevant due date. Claims for interest shall become void unless the relevant Notes are presented for payment as required by Condition 6 within five years of the appropriate relevant due date.

11. REPLACEMENT OF NOTES

If any Definitive Certificate or the Global Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Transfer Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Transfer Agent may reasonably require. Mutilated or defaced Definitive Certificates or the Global Certificate must be surrendered before replacements will be issued.

12. ENFORCEMENT

At any time after the Notes have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the Company and/or any Subsidiary Guarantors as it may think appropriate to enforce terms of the Trust Deed and the Notes but it will not be bound to take any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25.0% in principal amount of the Notes then outstanding or shall have been so directed by an Extraordinary Resolution of the Noteholders and (b) it shall have been indemnified and/or secured to its satisfaction. No Noteholder may proceed directly against the Issuer, the Company or any Subsidiary Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

13. MODIFICATION, WAIVER AND SUBSTITUTION

13.1 Meetings

The Trust Deed contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10.0% in principal amount of the Notes for the time being outstanding. Except where the business of such a meeting includes consideration of a Reserved Matter (as defined below), the quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing over 66% in principal amount of the Notes for the time being outstanding, or at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals:

(a) to modify the maturity of any Notes or the dates on which interest is payable in respect of any Notes;

(b) to reduce or cancel the principal amount of, any premium payable on redemption of, or amount of interest on or to vary the method of calculating the rate of interest on, any Notes;

(c) to change the currency of payment of any Notes;

(d) to modify or cancel the Guarantees; or

(e) to amend this provision or to modify the provisions concerning the quorum required at any meeting of the Noteholders or the majority required to pass an Extraordinary Resolution,

(each of (a), (b), (c), (d) and (e) above, a "Reserved Matter"),

in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 90.0%, or at any adjourned such meeting not less than 50.0%, in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution duly passed at any meeting of Noteholders will be binding on all Noteholders, whether or not they are present at the meeting at which such resolution was passed. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90.0% of the aggregate principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

The provisions of this Condition 13.1 are subject to the further provisions of the Trust Deed.

13.2 Modification and Waiver

The Trustee may agree, without the consent of the Noteholders, to (a) any modification (except as mentioned in Condition 13.1 above) to, or the waiver or authorization of any breach or proposed breach of, the Notes or the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or (b) any modification to these Conditions or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest or proven error or to comply with mandatory provisions of law. Any such modification, waiver or authorization will be binding on the Noteholders and, unless the Trustee so agrees otherwise, any such modifications will be notified by the Issuer to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

13.3 Interests of Noteholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorization, waiver or substitution), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Company or any Subsidiary Guarantor, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

13.4 Substitution

The Trust Deed contains provisions under which (a) the Company or any Subsidiary may, without the consent of the Noteholders, assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes and

(b) any Subsidiary may, without the consent of the Noteholders assume the obligations of the Company or any of the Subsidiary Guarantors as a guarantor under the Trust Deed and the Notes; *provided* that, in each case, certain conditions specified in the Trust Deed are fulfilled, including (i) in the case of a substitution of the Issuer by a company other than the Company or any of the Subsidiary Guarantors, a requirement that the Guarantees of the Notes are fully effective in relation to the obligations of the new principal debtor under the Trust Deed and the Notes and (ii) in the case of a substitution of the Company or any of the Subsidiary Guarantors as guarantor under the Trust Deed, a requirement that the Trustee is satisfied that the interests of the Noteholders will not be materially prejudiced thereby and a requirement that the Guarantee of the Notes by the new guarantor is fully effective in relation to the obligations of the new guarantor under the Trust Deed and the Notes.

No Noteholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder except to the extent provided for in Condition 8 (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

14. FURTHER ISSUES

To the extent permitted by Condition 4, the Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes ("Additional Notes") having, in all respects (or in all respects except for the Issue Date and the first payment of interest), the same terms and conditions as the Notes issued on the Issue Date so that such further issue shall be consolidated and form a single series with the Notes. Additional Notes shall have the full benefit of the Guarantees. Notes issued on the Issue Date and Additional Notes will be treated as a single series for all purposes, including, without limitation, waivers, amendments and redemptions. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed, without consent of the Noteholders.

In addition, the issuance of any Additional Notes by the Issuer will be subject to the following conditions:

(a) all obligations with respect to the Additional Notes shall be guaranteed under the Trust Deed, the Guarantees and any other Transaction Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

(b) the proceeds of such Additional Notes are contributed by way of subscription of additional shares in the capital of, or lent to, Kemang by the Issuer;

(c) the proceeds of the contribution to Kemang are on-lent by Kemang to the Company or the Subsidiary Guarantors pursuant to Intercompany Loans; and

(d) the Company and the Issuer have delivered to the Trustee an Officers' Certificate, in form and substance reasonably satisfactory to the Trustee, confirming that the issuance of the Additional Notes complies with and is permitted by the Trust Deed and/or these Conditions.

15. NOTICES

Without prejudice to any requirement of the SGX-ST, all notices to Noteholders shall be validly given if published in a leading newspaper having general circulation in Asia (which is expected to be the Asian edition of the Wall Street Journal) and so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, published in a leading newspaper having general circulation in Singapore (which is expected to be The Business Times.) Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

So long as all the Notes are represented by the Global Certificate and the same is/are deposited with a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, notices to the Noteholders shall be given by delivery to Euroclear and Clearstream, Luxembourg or such additional or substitute clearing system nominated by the Issuer or the Company, for communication by them to entitled accountholders in substitution for publication as required by the Conditions.

16. AGENTS

The Issuer reserves the right, in accordance with the Agency Agreement, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents. The Issuer will at all times maintain (a) a Principal Paying Agent and (b) a Paying Agent in Singapore upon the issue of any Notes in definitive form so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, and which shall be referred to in these Conditions as the "Singapore Agent".

Notice of any such termination or appointment, of any changes in the specified offices of any Agent, and of any change in the identity of the Agent will be given promptly by or on behalf of the Issuer to the SGX-ST (so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require) and the Noteholders and in any event not less than 45 calendar days' notice will be given. The Issuer, until January 1, 2017 (on which date European Council Directive 2003/48/EC will be generally repealed), will maintain a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

17. TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, the Company, any Subsidiary Guarantor and any entity related to the Company without accounting for any profit.

Whenever the Trustee is required or entitled by the terms of the Trust Deed or the Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Noteholders by way of an Extraordinary Resolution, and the Trustee will not be responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received.

The Trustee may rely without liability to Noteholders on any certificate prepared by the Board of Directors of the Company and accompanied by a certificate or report prepared by an internationally recognized firm of accountants pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the internationally recognized form of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer or the Company to procure such delivery under these Conditions; and such certificate or report shall be conclusive and binding on the Issuer, the Company, the Trustee and the Noteholders.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

19. CURRENCY INDEMNITY

U.S. dollars (the "Contractual Currency") is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes and by, the Company and the Subsidiary Guarantors in respect of the Guarantees, including damages.

Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of or an amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer, the Company or any Subsidiary Guarantor or otherwise), by the Trustee or any Noteholder in respect of any sum expressed to be due to it from the Issuer, the Company or any Subsidiary Guarantor shall only discharge the Issuer, the Company and the Subsidiary Guarantors to the extent of the Contractual Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient in respect of the Notes, the Trust Deed or the Agency Agreement, the Issuer, the Company or any Subsidiary Guarantor, as the case may be, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, the Company or any Subsidiary Guarantor, as the case may be, shall indemnify the recipient against the cost of making any such purchase.

These indemnities constitute separate and independent obligations from the Issuer's and the Company's and each Subsidiary Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Trustee and/or any Noteholder and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, the Trust Deed or the Agency Agreement or any other judgment or order.

20. GOVERNING LAW

(a) The Trust Deed, the Notes, the Guarantees and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Guarantees (including any disputes relating to any non-contractual obligations arising out of or in connection with the Notes or the Guarantees) and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Guarantees (including any action or proceedings relating to any non-contractual obligations arising out of or in connection with the Notes or the Guarantees) ("Proceedings") may be brought in such courts. Each of the Issuer, the Company and the Subsidiary Guarantors has in the Trust Deed irrevocably submitted to the exclusive jurisdiction of the English courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the Trustee and the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Each of the Issuer, the Company and the Subsidiary Guarantors has irrevocably appointed Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom as its agent in England to receive service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Notes in respect of which the Global Certificate is issued, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

GLOBAL CERTIFICATE

Upon the issuance of the Global Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, will credit, on its internal system, the respective principal amounts of the individual beneficial interests represented by such Global Certificate to the respective accounts of persons who have accounts with it. Such accounts will be designated by the Joint Bookrunners. Ownership of beneficial interests in the Global Certificate will be shown on, and the transfer of such ownership interests will be effected only through records maintained by Euroclear and Clearstream, Luxembourg (with respect to interests of participants) and on the records of participants (with respect to interests of persons holding through participants).

Investors may hold their interest in the Global Certificate directly through Euroclear or Clearstream, Luxembourg, as the case may be, if they are participants in such systems, or indirectly through organizations that are participants in such systems. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in the Global Certificate.

Payments of principal of, and interest and premium, if any, on, Notes represented by the Global Certificate will be made to Euroclear or Clearstream, Luxembourg or the nominee for their common depositary, as the case may be, as the registered owner of such Global Certificate. None of the Issuer, the Trustee, the Registrar, the Paying Agents, the Transfer Agents or any other agent of any of them will have any responsibility or liability for any aspect of the records relating to, or payments made on account of beneficial ownership interests in, the Global Certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that Euroclear, Clearstream, Luxembourg or the nominee of their common depositary, upon receipt of any payment of principal or interest in respect of the Global Certificate, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in such Global Certificate as shown on the records of Euroclear, Clearstream, Luxembourg or such nominees, as the case may be. The Issuer also expects that payments by participants to owners of beneficial interests in such Global Certificate held through such participants will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name", and will be the responsibility of such participants.

Euroclear and Clearstream, Luxembourg will take any action permitted to be taken by a Noteholder only at the direction of one or more participants to whose accounts in Euroclear or Clearstream, Luxembourg, as the case may be, interests in the Global Certificate are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction.

Although the Issuer and each of the Guarantors understand that Euroclear and Clearstream, Luxembourg will comply with the foregoing procedures in order to facilitate transfers in interests in the Global Certificate among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of any of the Guarantors, the Trustee, the Registrar, the Paying Agents, the Transfer Agents or any other agent of any of them will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

In addition, the Global Certificate will contain the following provisions which modify the terms and conditions of the Notes as they apply to the Notes evidenced by a Global Certificate.

MEETINGS

The holder of, or a proxy for the holder of, the Global Certificate will be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each US$1,000 in principal amount of Notes for which the Global Certificate (as defined in the Trust Deed) is issued.

TRUSTEE'S POWERS

In considering the interests of Noteholders, while the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the Trustee may have regard to any information provided to it by such clearing system(s) or its operator as to the identity of its accountholders with entitlements to the Global Certificate (or an interest in respect thereof) and may consider such interests as if such accountholders were the holder of the Global Certificate.

PURCHASE AND CANCELATION

Cancelation of any Note required by the terms and conditions of the Notes following its redemption, purchase and cancelation will be effected by reduction in the principal amount of the Notes in the Register and endorsement by or on behalf of the relevant Agents on the Global Certificate of the reduction in the principal amount of the Global Certificate.

PAYMENTS

Payments of amounts due in respect of the Notes represented by the Global Certificate will be made without presentation or, if no further payment is to be made in respect of the Notes against presentation and surrender of the Global Certificate to or to the order of the Principal Paying Agents or such other Agents as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on the appropriate schedule to the Global Certificate, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

ENFORCEMENT

For all purposes, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as a holder of a particular principal amount of Notes in respect of which a Global Certificate has been issued (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of Notes represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes (including one or more participants to whose account the book-entry interests in the Global Certificate are credited)) shall be recognized as the holder of such principal amount of Notes.

NOTICES

Notwithstanding Condition 15 (*Notices*), so long as all the Notes are represented by the Global Certificate and the same is/are deposited with a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, notices to the Noteholders shall be given by delivery to Euroclear and Clearstream, Luxembourg or such additional or substitute clearing system nominated by the Issuer or the Company, for communication by them to entitled accountholders in substitution for publication as required by the Conditions.

DEFINITIVE CERTIFICATES

The Global Certificate will be exchanged in whole (but not in part) for duly authenticated and completed Definitive Certificates in substantially the form (subject to completion) set out in Schedule 1 to the Trust Deed, if (a) Euroclear and/or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holiday) or announces an intention permanently to cease business or does in fact do so, or (b) if the Notes become due and payable under Condition 9 (*Events of Default*).

Whenever the Global Certificate is to be exchanged for Definitive Certificates, such Definitive Certificates shall be issued in an aggregate principal amount equal to the principal amount of this Global Certificate within five business days of the delivery, by or on behalf of the Noteholder, Euroclear and/or Clearstream, Luxembourg to the Registrar of such information as is required to complete and deliver such Definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Certificates are to be registered and the principal amount of each such person's holding) against the surrender of this Global Certificate at the specified office of the Registrar. Such exchange shall be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Noteholder or the Trustee, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "business day" means a day on which commercial banks are open for business (including, without limitation, dealings in foreign currencies) in the city in which the Registrar has its specified office.

On exchange in full of the Global Certificate the Paying Agent shall cancel it.

USE OF PROCEEDS

The net cash proceeds from the offering and issue of the Notes as described herein, after deducting underwriting fees and commissions and other expenses associated with the issue of the Notes are expected to be approximately US$417.4 million. The Issuer will contribute the net proceeds of this offering of Notes to Kemang by way of subscription of additional shares in the capital of, or a shareholder loan to, Kemang, which will use such net proceeds for the redemption of notes outstanding under the 2020 Notes.

We will issue the notice of redemption of the 2020 Notes on the Issue Date and deposit the proceeds from the issuance of the Notes with the paying agent with an irrevocable instruction to redeem the 2020 Notes. There is uncertainty as to whether the issuance of the Notes will be in technical compliance with the indebtedness covenant of the trust deeds governing our U.S. dollar-denominated notes during the 30-day notice period required to redeem the 2020 Notes, but any technical non-compliance will be cured upon the redemption of the 2020 Notes.

EXCHANGE RATES AND EXCHANGE CONTROLS

EXCHANGE RATES

Bank Indonesia is the sole issuer of Indonesian Rupiah and is responsible for maintaining the stability of the Indonesian Rupiah. Since 1970, Indonesia has implemented three exchange rate systems: (i) a fixed rate between 1970 and 1978, (ii) a managed floating exchange rate system between 1978 and 1997 and (iii) a free floating exchange rate system since August 14, 1997. Under the second system, Bank Indonesia maintained stability of the Indonesian Rupiah through a trading band policy, pursuant to which Bank Indonesia would enter the foreign currency market and buy or sell Indonesian Rupiah, as required, when trading in the Indonesian Rupiah exceeded bid and offer prices announced by Bank Indonesia on a daily basis. On August 14, 1997, Bank Indonesia terminated the trading band policy and permitted the exchange rate for the Indonesian Rupiah to float without an announced level at which it would intervene, which resulted in a substantial decrease in the value of the Indonesian Rupiah relative to the U.S. dollar. Under the current system, the exchange rate of the Rupiah is determined solely by the market, reflecting the interaction of supply and demand in the market. Bank Indonesia may take measures, however, to maintain a stable exchange rate.

The following table shows the exchange rate of Indonesian Rupiah to U.S. dollars based on the middle exchange rates at the end of each month during the periods indicated. The Indonesian Rupiah middle exchange rate is calculated based on Bank Indonesia's buying and selling rates. Neither we nor the Joint Bookrunners make any representations that the U.S. dollar amounts referred to in this Offering Circular could have been or could be converted into Indonesian Rupiah at the rate indicated or any other rate or at all.

	Exchange Rates			
	Low(1)	High(1)	Average(1)	Period End
2010	8,924	9,365	9,078	8,991
2011	8,460	9,185	8,779	9,068
2012	9,000	9,670	9,419	9,670
2013	9,634	12,270	10,451	12,189
2014	11,288	12,845	11,864	12,440
2015	12,625	14,657	13,458	13,795
2016:				
January	13,835	13,946	13,889	13,846
February	13,333	13,757	13,516	13,395
March	13,020	13,367	13,193	13,276
April	13,096	13,238	13,180	13,204
May	13,162	13,671	13,420	13,615
June	13,166	13,612	13,322	13,180
July	13,086	13,172	13,114	13,114
August	13,079	13,300	13,162	13,300
September	12,926	13,269	13,118	12,998
October (through October 14)	12,969	13,047	13,005	13,047

(1) *For full years, the high and low amounts are determined, and the average shown is calculated, based upon the middle exchange rate announced by Bank Indonesia on the last day of each month during the year indicated. For each month, the high and low amounts are determined, and the average shown is calculated, based on the daily middle exchange rate announced by Bank Indonesia during the month indicated.*

Source: Statistik Ekonomi dan Keuangan Indonesia (Indonesian Financial Statistics) published monthly by Bank Indonesia.

The middle exchange rate on October 14, 2016, was Rp13,047 = US$1.00.

The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Indonesian Rupiah.

EXCHANGE CONTROLS

Indonesia has limited foreign exchange controls. The Indonesian Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Indonesian Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah with foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia (without underlying trade or investment reasons), thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all persons and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year.

Indonesian Law on Currency and the Mandatory Use of Rupiah

On June 28, 2011, the Indonesian House of Representatives (the Indonesian parliament) passed Law No. 7 of 2011 (the "Currency Law") concerning the use of Rupiah. The Currency Law requires the use of and prohibits the rejection of Rupiah in certain transactions.

Article 21(1) of the Currency Law requires the use of Rupiah in certain transactions conducted in Indonesia including: (i) all payment transactions, (ii) any settlement of obligations which must be satisfied in cash, and (iii) any other financial transactions. However, Article 21(2) provides exemptions for (a) certain transactions related to the implementation of a State Budget, (b) the receipt or grant of an offshore grant, (c) international trade transactions, (d) bank deposits in foreign currency and (e) offshore loan transactions.

Article 23 of the Currency Law prohibits the rejection of Rupiah offered as a means of payment, or to settle obligations and/or in other financial transactions within Indonesia unless there is uncertainty regarding the authenticity of the Rupiah bills offered. The prohibition does not apply to transactions in which the payment or settlement of obligations in a foreign currency has been agreed in writing. Failure to comply with the Currency Law may result in imprisonment of up to one year and fines of up to Rp200 million, and if the violation is committed by a company, the fines will be increased by one-third.

As the implementation of the Currency Law, on March 31, 2015, Bank Indonesia issued Bank Indonesia Regulation No. 17/3/PBI/2015 on Mandatory Use of Rupiah within the Territory of the Republic of Indonesia ("PBI 17/2015") and further enacted Circular Letter of Bank Indonesia No. 17/11/DKSP on June 1, 2015 ("CL 17/2015"), which requires any party to use Rupiah for any transaction conducted within Indonesia.

PBI 17/2015 and CL 17/2015 require the use of Rupiah for cash or non-cash transactions conducted in Indonesia, including (i) each transaction which has the purpose of payment; (ii) settlement of other obligations which must be satisfied with money; and/or (iii) other financial transactions (including deposits of Rupiah in various amount and types of Rupiah denomination from customers to banks). Subject to further requirements under PBI 17/2015, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenues and expenditures; (ii) the receipt or provision of grants either from or to an overseas source; (iii) international trade transactions, which include (a) export and/or import of goods to or from outside Indonesian territory and (b) activities relating to cross-border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; and (vi) transactions in foreign currency which are conducted in accordance with applicable laws, including, among others (x) a bank's business activities in foreign currency conducted based on applicable laws regarding conventional and syariah banks, (y) securities in foreign currency issued by the Government in primary or secondary markets based on applicable laws, and (z) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank). According to CL 17/2015, businesses in Indonesia must only quote prices of goods and/or services in Rupiah and are prohibited from quoting prices of such goods and/or services if such prices are listed both in Rupiah and foreign currency elsewhere. This restriction applies to, among others, (i) price tags, (ii) service fees, such as agent fees in property sale and purchase, tourism services fees or consultancy services fees, (iii) leasing fees, (iv) tariffs, such as loading/unloading tariff for cargos at the seaport or airplane ticket tariff, (v) price lists, such as restaurant menus, (vi) contracts, such as for the clauses on pricing or fee, (vii) documents of offer, order, invoice, such as the price clause in an invoice, purchase order or delivery order, and/or (viii) payment evidence, such as the price listed in a receipt.

PBI 17/2015 sets forth that a recipient is prohibited from refusing to receive Rupiah as a means of payment or for the settlement of Rupiah obligations or other financial transactions within Indonesia, unless there is doubt as to the authenticity of the Rupiah paid in a cash transaction or an obligation to settle in a foreign currency is agreed in writing by the parties. Article 10(3) of PBI 17/2015 further clarifies that the exemption applies only for:

- agreements relating to transactions exempted from the mandatory use of Rupiah as referred to in PBI 17/2015 (for example, international financing transactions); or
- agreements for "Strategic Infrastructure Projects" that have been approved by Bank Indonesia.

PBI 17/2015 took effect on March 31, 2015, and the requirement to use Rupiah for non-cash transactions has been effective since July 1, 2015. Written agreements which were signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in foreign currency for non-cash transaction will remain effective until the expiry of such agreements. However, any extension and/or amendment of such agreements must comply with PBI 17/2015. A failure to comply with the obligation to use Rupiah in cash transactions will be subjected to criminal sanctions in the form of fines and imprisonment. While a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warnings, (ii) fines, and/or (iii) a prohibition from undertaking payment activities. Bank Indonesia may also recommend to the relevant authority to revoke the business license or stop the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

Purchasing of Foreign Currencies against Rupiah through Banks

On September 5, 2016, Bank Indonesia issued Regulation No. 18/18/PBI/2016 on Foreign Exchange Transaction to Rupiah between Banks and Domestic Parties ("PBI 18/18/2016"). Under PBI 18/18/2016, any conversion of Rupiah into foreign currency for spot and standard derivative (plain vanilla) transactions that exceeds a specific threshold, is required to have an underlying transaction and supported by underlying transaction documents. Such underlying transaction and its supporting underlying transaction documents are also required for transactions of foreign exchange is structured products in the form of a Call Spread Options, in any amount. Further, the maximum amount of such foreign exchange conversion cannot exceed the value of the underlying transaction.

The underlying transaction must consist of: (a) the domestic and international trade of goods and services; (b) an investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia; and/or (c) the granting of a facility or financing from a Bank in foreign currencies and/or Rupiah for trade and investment activities. The underlying transaction must not include: (a) a placement of funds in banks in the form of a, among others, saving account, demand deposit account, time deposit, or Negotiable Certificate Deposit (NCD); (b) money transfers by a remittance company; (c) an undrawn credit facilities, including standby loans and undisbursed loans; and (d) the usage of Bank Indonesia securities in foreign currencies. Indonesian companies purchasing foreign currencies from Banks by way of (i) spot transactions and (ii) derivative transactions in excess of US$25,000 and US$100,000, respectively, will be required to submit certain supporting documents to the selling bank, including, among others, a duly stamped statement confirming that the underlying transaction document agreement is valid and that the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document agreement. For purchases of foreign currencies not exceeding such threshold, such company must declare in a duly stamped letter that its aggregate foreign currency purchases do not exceed the thresholds in the Indonesian banking system.

Bank Indonesia also issued Bank Indonesia Regulation No. 18/19/PBI/2016 dated September 5, 2016 on Foreign Exchange Transaction to Rupiah between Banks and Foreign Parties ("**PBI 18/19/2016**"). Similar to PBI 18/18/2016, PBI 18/19/2016 is intended to govern foreign exchange transactions against Rupiah in Indonesia. However, unlike PBI 18/18/2016, which targets Indonesian bank customers, PBI 18/19/2016 governs foreign exchange transactions by banks and foreign parties.

PBI 18/19/2016 also requires the presence an underlying transaction if a foreign exchange transaction exceeds certain threshold amounts. The thresholds set forth by PBI 18/19/2016, which are similar to the threshold amounts under PBI 18/18/2014, are: (i) for spot transactions, a purchase of foreign exchange against the Rupiah equivalent of US$25,000 per month per foreign party, or its equivalent; and (ii) for derivative transactions, the sale and purchase of foreign exchange against the Rupiah equivalent of US$1 million per transaction per foreign party or per outstanding amount of each of the derivative transaction per bank, or its equivalent.

The underlying transaction under PBI 18/19/2016 may consist of: (a) the domestic and international trade of goods and services; and/or (b) an investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia.

The following transactions are not considered as underlying transactions: (i) Bank Indonesia Certificates for derivative transactions, (ii) a placement of funds in banks (vostro account) in the form of saving account, demand deposit account, time deposit, or NCD, (iii) the granting of facility which has not been withdrawn such as standby loan and undisbursed loan, and (iv) the usage of Bank Indonesia securities in foreign currencies.

CAPITALIZATION

The table below sets forth our consolidated capitalization and indebtedness as of June 30, 2016 and as adjusted to account for this offering (see "Use of Proceeds"), the issuance of additional 2022 Notes on August 3, 2016 and the use of proceeds therefrom to repay in full the 2019 Notes. This information has been extracted from our consolidated financial statements as of June 30, 2016.

You should read this table in conjunction with our consolidated financial statements, including the notes thereto, found elsewhere in this Offering Circular.

	As of June 30, 2016			
	Actual		As adjusted	
	Rp	US$	Rp	US$
	(Rp billions and US$ millions)			
Bank loans(1)	2,162.0	164.0	2,162.0	164.0
US$ notes due 2019(2)	3,295.0	250.0	—	—
US$ notes due 2020(3)	5,315.6	403.3	—	—
US$ notes due 2022(4)	1,977.0	150.0	5,403.8	410.0
US$ notes due 2026	—	—	5,601.5	425.0
Premium and issuance costs	(176.4)	(13.4)	(440.0)(5)	(33.4)(5)
Total indebtedness	12,573.1	954.0	12,727.3	965.7
Retained earnings	7,542.0	572.2	7,542.0	572.2
Total stockholders' equity	19,946.0	1,513.4	19,946.0	1,513.4
Total capitalization	32,519.1	2,467.3	32,673.3	2,479.0

(1) *See "Description of Indebtedness" for a description of our outstanding bank loans.*

(2) *US$250,000,000 7.0% Senior Notes due 2019 net of unamortized bond issuance cost amounting to Rp36.1 billion (US$2.7 million). The outstanding US$250,000,000 7.0% Senior Notes due 2019 were redeemed in full in August 2016.*

(3) *US$403,306,000 6.125% Senior Notes due 2020 net of unamortized bond issuance cost amounting to Rp173.4 billion (US$13.2 million).*

(4) *US$150,000,000 7.0% Senior Notes due 2022 net of unamortized bond issuance cost amounting to Rp34.1 billion (US$2.6 million). On August 10, 2016, we issued a further US$260,000,000 7.0% Senior Notes due 2022.*

(5) *Amount includes the premium payable with respect to the redemption of the 2020 Notes. See "Use of Proceeds".*

Except as disclosed or contemplated in this Offering Circular, there has been no material change in our capitalization since June 30, 2016.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

You should read the selected consolidated financial information presented below in conjunction with our consolidated financial statements and the notes to these financial statements included in this Offering Circular.

The following tables present our selected consolidated financial information and operating data as of the dates and for each of the years and periods indicated. We have derived the selected consolidated statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013 and 2014 and our selected consolidated financial position data as of December 31, 2013 and 2014 in the tables below from our historical financial statements, which have been audited by Aryanto, Amir Jusuf, Mawar & Saptoto (a member firm of the RSM network), independent auditors, who have issued an unqualified opinion with respect to their audit. We have derived the selected consolidated statements of comprehensive income and cash flows and other financial data for the year ended December 31, 2015 and the six months ended June 30, 2015 and 2016 and our selected consolidated financial position data as of December 31, 2015 and June 30, 2016, respectively, presented in the tables below from our historical financial statements, which have been audited and reviewed, respectively, by Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member firm of the RSM network), independent auditors. The historical results presented below are not necessarily indicative of the results that may be expected for the year ended December 31, 2016 or any future period. Further, our results for the six months ended June 30, 2015 and 2016 should not be considered indicative of the actual results we may achieve in any other period or in the year ended December 31, 2016. Our financial statements have been prepared and presented in accordance with Indonesian FAS, which differs in certain material respects from IFRS, see "Summary of Certain Differences between Indonesian FAS and IFRS".

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
STATEMENT OF COMPREHENSIVE INCOME DATA							
REVENUES	6,666.2	11,655.0	8,910.2	676.0	4,681.0	5,108.9	387.6
Final Tax Expenses(1)	(168.0)	(372.4)	(206.5)	(15.7)	(119.7)	(115.9)	(8.8)
NET REVENUES	**6,498.2**	**11,282.6**	**8,703.7**	**660.4**	**4,561.3**	**4,992.9**	**378.8**
COST OF REVENUES	(3,619.6)	(6,257.7)	(4,791.7)	(363.6)	(2,493.2)	(2,822.3)	(214.1)
GROSS PROFIT	**2,878.6**	**5,024.9**	**3,912.0**	**296.8**	**2,068.1**	**2,170.7**	**164.7**
Operating Expenses	(1,516.8)	(2,119.2)	(2,391.1)	(181.4)	(1,047.3)	(1,325.1)	(100.5)
Other Income	585.1	595.4	240.0	18.2	185.5	268.7	20.4
Other Expenses	(154.5)	(63.5)	(270.6)	(20.5)	(35.3)	(107.1)	(8.1)
PROFIT FROM OPERATIONS	**1,792.4**	**3,437.8**	**1,490.3**	**113.1**	**1,171.0**	**1,007.2**	**76.4**
Financial Charges — Net	(26.7)	(122.1)	(177.0)	(13.4)	(54.1)	(158.5)	(12.0)
Loss from sale of available assets for sale		—	(15.4)	(1.2)			
Share in the Profit (Loss) of Associates and Joint Venture	8.5	8.2	(13.1)	(1.0)	5.2	4.5	0.3
PROFIT BEFORE TAX	**1,774.2**	**3,324.0**	**1,284.8**	**97.5**	**1,122.1**	**853.1**	**64.7**
Tax Expenses(1)	(162.2)	(184.0)	(260.7)	(19.8)	(136.6)	(135.6)	(10.3)
PROFIT FOR THE PERIOD	**1,612.0**	**3,140.0**	**1,024.1**	**77.7**	**985.5**	**717.5**	**54.4**
OTHER COMPREHENSIVE INCOME							
Other Comprehensive Income Items that will not be Reclassified Subsequently to Profit or Loss:							
Loss from Remeasurement of Defined Benefits Plan	(38.6)	(19.0)	(8.9)	(0.7)	63.2	22.4	1.7
Portion of Remeasurement of Defined Benefit Plan of Associates	—	—	(1.2)	(0.0)	—	—	—
Income Tax Related to Items that will not be Reclassified Subsequently to Profit or Loss:	10.0	6.1	(4.5)	(0.3)	(14.5)	(1.2)	(0.1)
Other Comprehensive Income Items that will be Reclassified Subsequently to Profit or Loss:							
Gain (Loss) from Translations of Financial Statements	551.9	117.5	(244.6)	(18.6)	(134.9)	(58.3)	(4.4)
Gain (Loss) on Remeasurement in Fair Value of Available-for-Sale Financial Assets	(468.3)	(255.8)	(132.6)	(10.1)	823.7	433.4	32.9
Reclassified Adjustment on Loss Available-for-Sale Financial Assets in Profit and Loss	—	—	(15.4)	(1.2)	(15.4)	—	—
Income Tax Related to Items that will be Reclassified Subsequently to Profit or Loss	—	—	0.0	0.0	—	—	—
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	55.0	(151.3)	(407.2)	(30.9)	722.1	396.2	30.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,667.0	2,988.6	616.9	46.8	1,707.5	1,113.7	84.5
Profit for the Period Attributable to:							
Owner of the Parent	1,247.2	2,556.2	535.4	40.6	701.5	495.9	37.6
Non-Controlling Interests	364.8	583.7	488.7	37.1	284.0	221.6	16.8
Total Comprehensive Income for the Period Attributable to:							
Owner of the Parent	1,295.2	2,408.6	148.5	11.3	1,411.8	855.4	64.9
Non-Controlling Interests	371.8	580.0	468.4	35.6	295.7	258.3	19.6
Total	**1,667.0**	**2,988.6**	**616.9**	**46.8**	**1,707.5**	**1,113.7**	**84.5**

(1) *With effect from January 1, 2015, in connection with the adoption of PSAK No. 46, we reclassified final tax as part of our revenue for the period, whereby final tax is deducted directly from revenues for the period (rather than profit before tax). Prior to January 1, 2015, both final tax and progressive tax were classified within tax expenses (and deducted from profit before tax). Final tax for the years ended December 31, 2013, 2014 and 2015, amounted to Rp168.0 billion, Rp372.4 billion and Rp206.5 billion (US$15.6 million), respectively.*

	As of December 31,				As of June 30,	
	2013(1)	2014(1)	2015(1)	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	US$
	(Rp in billions and US$ in millions)					
FINANCIAL POSITION DATA ASSETS						
Current Assets						
Cash and Cash Equivalents	1,855.1	3,582.6	1,839.4	139.6	1,773.4	134.5
Trade Accounts Receivable:						
Third Parties	769.2	947.6	1,424.2	108.1	1,787.7	135.6
Related Parties	2.4	3.5	10.1	0.8	7.2	0.5
Available-for-Sale Financial Assets	5,110.0	5,503.0	5,869.1	222.2	6,344.7	481.4
Other Current Financial Assets	1,668.5	2,607.7	2,928.1	445.3	2,430.5	184.4
Inventories	13,894.0	16,579.2	20,459.0	1,552.3	21,508.9	1,631.9
Prepaid Taxes	576.1	621.5	817.4	62.0	844.7	64.1
Prepaid Expenses	137.9	196.9	229.7	17.4	279.8	21.2
Total Current Assets	**24,013.1**	**30,042.0**	**33,576.9**	**2,547.6**	**34,976.9**	**2,653.8**
Non-Current Assets						
Due from Related Parties Non-Trade	9.7	14.8	37.1	2.8	31.7	2.4
Other Non-Current Financial Assets	518.8	619.9	754.2	57.2	790.5	60.0
Investments in Associates	130.4	123.3	153.8	11.7	157.3	11.9
Investments in Joint Venture	—	—	231.4	17.6	228.0	17.3
Investment Property	306.4	310.3	417.0	31.6	420.4	31.9
Property and Equipment	2,810.9	3,208.8	2,731.5	207.2	2,868.3	217.6
Intangible Assets	337.5	528.3	534.9	40.6	541.9	41.1
Deferred Tax Assets	52.7	63.9	47.0	3.6	55.1	4.2
Advances	1,456.4	1,709.9	1,429.9	108.5	1,438.6	109.1
Land for Development	1,611.4	1,136.2	1,369.7	103.9	1,403.4	106.5
Other Non-Current Non-Financial Assets	61.0	99.0	43.1	3.3	76.5	5.8
Total Non-Current Assets	**7,295.2**	**7,814.4**	**7,749.6**	**588.0**	**8,011.6**	**607.9**
TOTAL ASSETS	**31,308.4**	**37,856.4**	**41,326.6**	**3,135.6**	**42,988.4**	**3,261.6**
LIABILITIES AND EQUITY LIABILITIES						
Current Liabilities						
Trade Accounts Payable — Third Parties	397.7	404.2	782.9	59.4	1,191.0	90.4
Accrued Expenses	557.3	1,129.9	1,006.5	76.4	1,067.9	81.0
Taxes Payable	253.6	648.2	229.0	17.4	275.9	20.9
Short-Term Employment Benefits Liabilities	13.3	18.4	12.2	0.9	11.6	0.9
Short-Term Bank Loans	4.9	173.5	962.2	73.0	1,612.9	122.4
Current Portion of Long-Term Bank Loans	11.8	12.4	48.3	3.7	59.4	4.5
Current Portion of Finances Lease Obligation	—	—	—	—	4.7	0.4
Other Current Financial Liabilities	300.2	408.8	339.9	25.8	519.2	39.4
Advances from Customers	3,076.0	2,524.0	863.2	65.5	2,139.8	162.4
Deferred Income	112.8	362.2	480.1	36.4	396.4	30.1
Deferred Gain on Sales and Leaseback Transactions	119.6	127.3	132.8	10.1	131.6	10.0
Total Current Liabilities	**4,847.3**	**5,808.9**	**4,856.9**	**368.5**	**7,410.3**	**562.2**
Non-Current Liabilities						
Long-Term Bank Loans	43.0	30.5	471.7	35.8	489.7	37.2
Finances Lease Obligation	—	—	—	—	24.5	1.9
Due to Related Parties Non-Trade	3.8	3.4	7.5	0.6	2.4	0.2
Bonds Payable	7,747.8	9,780.6	10,883.1	825.7	10,411.2	789.9
Other Non-Current Financial Liabilities	51.0	67.4	85.6	6.5	107.2	8.1
Long-Term Employment Benefits Liabilities	199.0	255.7	311.1	23.6	312.7	23.7
Deferred Tax Liabilities	12.0	28.1	39.6	3.0	33.7	2.6
Advances from Customers	2,245.7	2,695.7	4,348.6	329.9	2,844.5	215.8
Deferred Income	715.8	418.0	359.1	27.2	438.4	33.3
Deferred Gain on Sale and Leaseback Transactions	1,274.5	1,147.3	1,046.7	79.4	967.9	73.4
Total Non-Current Liabilities	**12,292.6**	**14,426.7**	**17,552.9**	**1,331.8**	**15,632.1**	**1,186.1**
Total Liabilities	**17,139.9**	**20,235.5**	**22,409.8**	**1,700.3**	**23,042.4**	**1,748.3**
EQUITY						
Equity Attributable to Owner of the Parent Company						
Capital Stock						
Par Value Rp100						
Authorized Capital — 64,000,000,000 shares						
Issued and Fully Paid — 23,077,689,619 shares	2,307.8	2,307.8	2,307.8	175.1	2,307.8	175.1
Additional Paid-in Capital — Net	4,063.1	4,063.1	4,063.1	308.3	4,063.1	308.3
Difference in Transactions with Non-Controlling Interest	(185.8)	529.6	1,551.2	117.7	1,551.2	117.7
Other Equity Components	1,105.1	1,105.1	1,105.1	83.8	1,105.1	83.8
Treasury Stock	(216.5)	(216.5)	(216.5)	(16.4)	(216.5)	(16.4)
Retained Earnings	4,731.2	6,958.1	7,101.4	538.8	7,542.0	572.2
Other Comprehensive Income	978.7	840.4	482.0	36.6	816.9	62.0
Total Equity Attributable to Owner of the Parent Company	12,783.6	15,587.6	16,394.1	1,243.9	17,169.5	1,302.7
Non-Controlling Interests	1,384.9	2,033.2	2,522.6	191.4	2,776.5	210.7
Total Equity	**14,168.5**	**17,620.8**	**18,916.8**	**1,435.3**	**19,946.0**	**1,513.4**
Total Liabilities and Equity	**31,308.4**	**37,856.4**	**41,326.6**	**3,135.6**	**42,988.4**	**3,261.6**

(1) *In connection with PSAK 24, which became effective January 1, 2015, we have restated certain line items in our consolidated statement of financial position as of December 31, 2013 and 2014 to account for changes in the treatment of employee benefits. See note 3 of our financial statements included in this Offering Circular for further details.*

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
CASH FLOW DATA							
Net Cash Flows Provided by (Used in) Operating Activities	(2,078.8)	786.5	(2,711.0)	(205.7)	(1,755.3)	(431.0)	(32.7)
Net Cash Flows Provided by (Used in) Investing Activities	(580.3)	(350.1)	204.8	15.5	242.2	(222.3)	(16.9)
Net Cash Flows Provided by (Used in) Financial Activities	1,142.0	1,320.1	753.5	57.2	(49.1)	594.5	45.1
Net Increase (Decrease) in Cash and Cash Equivalent	(1,517.2)	1,756.5	(1,752.4)	(132.9)	(1,562.2)	(58.8)	(4.5)
Effect of Foreign Exchanges on Cash and Cash Equivalent at the End of the Period	34.9	(28.9)	9.1	0.7	24.0	(7.2)	(0.5)
Cash and Cash Equivalent at the Beginning of the Period	3,337.4	1,855.1	3,582.6	271.8	3,582.6	1,839.4	139.6
Cash and Cash Equivalent at the End of the Period	1,855.1	3,582.6	1,839.4	139.5	2,044.5	1,773.4	134.5

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
OTHER FINANCIAL DATA							
EBITDA(1)	1,801.0	3,633.2	2,222.7	168.6	1,361.3	1,199.0	91.0
Interest Expense(2)	466.2	612.6	885.8	67.2	335.1	420.0	31.9
Capital Expenditures(3)	1,311.3	648.0	496.6	37.7	259.7	340.1	25.8
EBITDA Margin (%)(4)	27.0	31.2	24.9	24.9	29.1	23.5	23.5
EBITDA/Interest Expense (x)	3.9	5.9	2.5	2.5	4.1	2.9	2.9
Net Debt/EBITDA (x)(5)	3.3	1.8	4.7	4.7	2.2	5.2	5.2

(1) (a) *We calculate EBITDA by adding depreciation to profit from operations calculated under Indonesian FAS.*

(b) *EBITDA is not a standard measure under Indonesian FAS.*

(c) *EBITDA is a widely used financial indicator of a company's ability to service and incur debt.*

(d) *EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of performance or as an indicator of operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.*

(e) *EBITDA does not account for taxes, interest expense or other non-operating cash and non-cash expenses.*

(f) *In evaluating EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as revenues and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges.*

(g) *We have included EBITDA because we believe EBITDA is a useful supplement to cash flow data as a measure of our historical performance and our ability to generate cash from operations to cover debt service and taxes.*

(h) *EBITDA presented herein may not be comparable to similarly titled measures presented by other companies.*

(i) *You should not compare EBITDA presented by us to EBITDA presented by other companies because not all companies use the same definition.*

(j) *You should also note that EBITDA as presented herein may be calculated differently from Consolidated EBITDA as defined and used in the Trust Deed governing the Notes. Interest expense excludes capitalized interest. See the section entitled "Terms and Conditions of the Notes" for a description of the manner in which Consolidated EBITDA is defined for purposes of the Trust Deed governing the Notes.*

(2) *Includes capitalized interest.*

(3) *Capital expenditure represents expenditure on property and equipment and investment properties.*

(4) *EBITDA Margin is calculated as EBITDA divided by revenues.*

(5) *Net Debt/EBITDA is calculated as total debt minus cash and cash equivalent divided by EBITDA, which is based on the last 12 month period.*

	As at and for the Year ended December 31,				As at and for the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
OPERATING DATA							
Urban Development:							
Residential							
Number of houses sold	1,079	746	7,346	7,346	406	353	353
Total area sold (square meters)	152,872	127,197	169,140	169,140	66,358	53,847	53,847
Average price per sqm (Rp thousands/US$)	Rp4,656	Rp7,334	Rp14,811	US$1,115	Rp8,425	Rp10,628	US$806
Industrial							
Total area sold (square meters)	692,106	402,842	107,644	107,644	104,284	329,015	329,015
Average price per sqm (Rp thousands/US$)	Rp1,071	Rp1,563	Rp4,308	US$324.5	Rp3,579	Rp664	US$50
Retail Malls:							
Total area sold (square meters)	300	229	0	0	0	0	0
Leased Malls:							
Range of rental rates (per month per square meters) (Rp thousands)	Rp57-213	Rp61-216	Rp70-231	US$5.2-17	Rp66-234	Rp69-236	US$5.5-18
Occupancy rate (per month) (%)	88	82	85	85	83	88	88
Range of lease expiry periods (years)	3-10	3-10	3-10	3-10	3-10	3-10	3-10
Healthcare:							
Inpatient							
Number of operational beds	1,985	2,317	2,575	2,575	2,474	2,769	2,769
Bed occupancy ratio (%)	51.0	55.2	63	63	64	71	71
Average revenue per patient day (Rp thousands/US$)	Rp4,144	Rp4,341	Rp3,633	US$273	Rp4,343	Rp4,628	US$351.1
Medical Experts							
Number of general practitioners	304	400	8,344	8,344	457	449	449
Number of specialists[(1)]	1,209	1,376	1,592	1,592	1,633	1,599	1,599
Number of nurses	2,767	3,151	3,633	3,633	3,489	3,855	3,855
Outpatient							
Number of one day care patients	6,796	6,878	8,344	8,344	4,329	4,526	4,526
Number of patient visits (in thousands)	1,204	1,248	1,565	1,565	768	929	929
Average revenue per visit (Rp thousands/US$)	Rp793	Rp875	Rp820	US$61	Rp804	Rp849	US$64
Hotels							
Number of rooms	994	1,020	1,017	1,017	1,017	1,049	1,049
Average room occupancy rate (%)	71.6	61.6	67.6	67.6	69.2	60.3	60.3
Average room rate (Rp thousands)	Rp622	Rp535	Rp623	US$46	Rp597	Rp612	US$46
Revenue per available room (Rp thousands/US$)	Rp445	Rp333	Rp421	US$31	Rp413	Rp318	US$28

(1) Includes full-time and part-time specialists in 2013, 2014, 2015 and in the six months ended June 30, 2016.

THE ISSUER

GENERAL

The Issuer of the Notes, Theta Capital Pte. Ltd., was incorporated on April 30, 2012 as a Singapore private company with limited liability and its registration number is 201210707G. The registered office of the Issuer is located at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, the Republic of Singapore. The Issuer is a wholly-owned finance subsidiary of PT Lippo Karawaci Tbk.

BUSINESS ACTIVITY

The principal object of the Issuer is set out in its Constitution and is to engage in any act or activity that is not prohibited under any law for the time being in force in Singapore. As such, the Issuer is, *inter alia*, authorized to issue the Notes, to finance the business of the Company, including entering into the Subscription Agreement, the Trust Deed and the other transaction documents to which it is or will be a party. The Issuer has not engaged, since its incorporation, in any business activities other than the issuance of the 2019 Notes, 2020 Notes and 2022 Notes (each defined below) and the proposed issue of the Notes, including the authorization of documents and agreements referred to in this Offering Circular to which it is or will be a party.

The issuance of the Notes was approved by the Board of Directors on behalf of the Issuer on October 14, 2016.

MANAGEMENT

The directors of the Issuer are Wong Kim Yoke and Ang Vicente Binalhay, each of whose address for the purpose of their directorships of the Issuer is 333 Orchard Road, #33-00, Singapore 238867, the Republic of Singapore.

CAPITALIZATION

The Issuer has an issued and paid-up share capital of US$1.00 comprising 1 ordinary share. The Issuer issued US$150,000,000 7.0% Senior Notes due 2019 on May 16, 2012 (the "**Initial 2019 Notes**"), which are guaranteed by us and certain of our subsidiaries, and further issued US$100,000,000 7.0% Senior Notes due 2019 on October 22, 2012 (together with the Initial 2019 Notes, the "**2019 Notes**"), which formed a single series with the Initial 2019 Notes. The principal amount outstanding is not amortizing and is due in full on May 16, 2019. Interest is payable semi-annually in arrear on each of May 16 and November 16. The 2019 Notes were redeemed in full in September 2016.

The Issuer issued US$273,306,000 6.125% Senior Notes due 2020 (the "**Initial 2020 Notes**") on November 14, 2012, which are guaranteed by us and certain of our subsidiaries, and further issued US$130,000,000 6.125% Senior Notes due 2020 on January 14, 2013 (together with the Initial 2020 Notes, the "**2020 Notes**"), which formed a single series with the Initial 2020 Notes. The principal amount outstanding is not amortizing and is due in full on November 14, 2020. Interest is payable semi-annually in arrear on each of May 14 and November 14.

The Issuer issued US$150,000,000 7.0% Senior Notes due 2022 (the "**Initial 2022 Notes**") on April 11, 2014, which are guaranteed by us and certain of our subsidiaries and further issued US$260,000,000 7.0% Senior Notes due 2022 on August 10, 2016 (together with the Initial 2022 Notes, the "**2022 Notes**"), which formed a single series with the Initial 2022 Notes. The principal amount outstanding is not amortizing and is due in full on April 11, 2022. Interest is payable semi-annually in arrear on each of April 11 and October 11.

As of the date of this Offering Circular, the Issuer has no other borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, except as otherwise described in this Offering Circular.

For further general information on the Issuer, see "General Information", page 200.

KEMANG

GENERAL

Theta Kemang Pte. Ltd., was incorporated on April 30, 2012 as a Singapore private company with limited liability and its registration number is 201210714G. The registered office of Kemang is located at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, the Republic of Singapore. Kemang is a wholly-owned subsidiary of the Issuer.

BUSINESS ACTIVITY

The principal object of Kemang is set out in its Constitution and is to engage in any act or activity that is not prohibited under any law for the time being in force in Singapore.

MANAGEMENT

The directors of Kemang are Wong Kim Yoke and Ang Vicente Binalhay, each of whose address for the purpose of their directorships of Kemang is 333 Orchard Road, #33-00, Singapore 238867, the Republic of Singapore.

CAPITALIZATION

Kemang has an issued and paid-up share capital of US$433,785,241 comprising 1 ordinary share and 433,785,240 preference shares.

As of the date of this Offering Circular, Kemang has no borrowings or indebtedness in the nature of borrowings (including loan capital issued, or created but unused), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, except in connection with the issuance of the 2019 Notes in May 2012 and October 22, 2012, the 2020 Notes in November 2012 and January 2013 and the 2022 Notes in April 2014 and August 2016, and as otherwise described in this Offering Circular.

For further general information on Kemang, see "General Information", page 200.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our selected consolidated financial and operating data and the financial statements and notes thereto included elsewhere in this Offering Circular. These financial statements have been prepared in accordance with Indonesian FAS, which differs in certain significant respects from IFRS. See "Summary of Certain Differences between Indonesian FAS and IFRS".

Overview

We are one of the leading diversified property companies in Indonesia in terms of our market capitalization on the IDX, assets, revenue and net profit. We develop residential, commercial and retail properties, and light industrial areas throughout Indonesia, with the majority of our current developments based in and around five major cities in Indonesia: Jakarta, Medan, Palembang, Makassar and Manado. In addition, as of June 30, 2016, we operated 23 hospitals. As of June 30, 2016, we also owned three and leased two Aryaduta-branded hotels, had three hotels under development, managed four hotel properties owned by third parties under the Aryaduta brand, provided a broad range of infrastructure services to the residents of our developments, and provided other property management and REIT management services. In the six months ended June 30, 2016, our total revenues were Rp5,108.9 billion (US$387.6 million) and our EBITDA was Rp1,199.0 billion (US$91.0 million). In 2015, our total revenues were Rp8,910.2 billion (US$676.0 million) and our EBITDA was Rp2,222.7 billion (US$168.6 million). Our market capitalization as of October 17, 2016 was Rp21,347 billion (US$1,620 million) based on the closing price per ordinary share on the IDX of Rp925 per share as of October 17, 2016.

Our operations are organized into six business units:

- Urban Development;
- Large Scale Integrated Development;
- Retail Malls;
- Healthcare;
- Hospitality and Infrastructure; and
- Property and Portfolio Management.

Factors Affecting our Business and Results of Operations

The Company's business and results of operations are affected by the following important factors:

- Composition of our business units;
- General economic conditions in Indonesia;
- Growing middle class in Indonesia;
- Fluctuations in interest rates;
- Impact of exchange rate movements;
- Government spending;
- Government regulations;
- Construction and raw materials expenses;
- Inpatient and outpatient services and demand;
- Funding position of First REIT and LMIRT;
- Performance of the REIT units that we hold; and
- Hotel occupancy rates and room rates.

Composition of our Business Units

We believe that our significant recurring revenues component, of which a significant proportion is less affected by cyclicality, mitigates some of the risks of operating in the cyclical property business in Indonesia and we intend to continue investing in these business units. In the six months ended June 30, 2016, 37.9% of our revenues were derived from development income, which consists of the development and sale of residential, commercial and retail and light industrial properties from our urban development, large scale integrated development and retail malls business units and 62.1% of our revenues were derived from recurring income, which consists of revenues from the operation of our healthcare, hospitality and infrastructure, and property and portfolio management business units. In 2015, 40.9% of our revenues were derived from development income, and 59.1% of our revenues were derived from recurring income, while in 2014, the split of our revenues between development income and recurring income was 62.5% and 37.5%, respectively.

General Economic Conditions in Indonesia

Our results of operations are subject to general economic conditions in Indonesia, including property and other market pricing trends that affect sales of our properties, standards of living, levels of disposable income, levels of foreign direct investment, demographic changes, interest rates, the availability of consumer financing and increases in utility and fuel costs. Each of these factors affects the levels of our property sales and demand for our healthcare services, as increasing standards of living have allowed individuals in Indonesia to spend more money on healthcare and other related services. For example, in 2015 and the first half of 2016, there was a marked slowdown in the property market in Indonesia. This slowdown resulted in decreased demand for and lower pre-sales with respect to our developments and properties in 2015 and the first half of 2016 compared to previous periods. We believe this slowdown was in part due to the tax amnesty program introduced by the Government that encourages the repatriation of undeclared assets back in Indonesia, as potential buyers awaited clarity on their tax and capital positions before details of the program were finalized in June 2016. We have timed our sales and/or launches of certain projects to coincide with the introduction the tax amnesty program. Additionally, our hotel business is patronized mainly by business travelers within Indonesia and business travel is directly tied with general economic conditions.

Growing Middle Class in Indonesia

Our businesses are generally targeted at middle and upper-middle income consumers in Indonesia. In addition, we target mostly middle and upper-middle income patients in our healthcare business and we are continuing to invest in retaining the best medical personnel and advanced technology to service this growing demographic.

Fluctuations in Interest Rates

Our development income is impacted by fluctuations in interest rates. When interest rates decline, we typically experience an increase in property sales as lower interest rates make it easier for customers to qualify for and secure financing.

Impact of Exchange Rate Movements

We are exposed to fluctuations in the value of the Rupiah against other foreign currencies, especially U.S. dollars. For purposes of preparing our consolidated financial statements, the accounts of foreign subsidiaries are translated into Rupiah (our reporting currency) at each balance sheet date. Fluctuations in the Rupiah-U.S. Dollar exchange rate have resulted in our recording a net foreign exchange gain of Rp22.4 billion (US$1.7 million) in the six months ended June 30, 2016, a net foreign exchange loss of Rp154.8 billion (US$11.7 million) in 2015 and a net foreign exchange gain of Rp396.7 billion (US$30.1 million) in 2014. See "Exchange Rates and Exchange Controls". Further appreciations or depreciations in the Rupiah against the U.S. dollar will cause us to record gains and losses on foreign exchange due to the differences from currency translations of financial statements of our foreign subsidiaries, and may affect our net income due to the impact of such exchange rates fluctuations on interest income and interest expense relating to our U.S. dollar-denominated assets and liabilities.

Government Spending

The success of our developments depends, in part, upon the quality of infrastructure surrounding our properties and their accessibility. The government has commenced a long awaited upgrade of transport infrastructure in Jakarta, which will provide improved access to the Jakarta CBD and surrounding areas by improving both the mass rapid transport system and the system of roads, which, in turn, may increase sales and occupancy levels in our "Edge Cities" when completed. Additionally, levels of Government spending and other healthcare initiatives directly impact the demand for our healthcare services.

Government Regulations

All of our business units are subject to Government regulations and require licenses and permits. In particular, healthcare is subject to extensive government regulation and new regulations could have a significant and possibly unfavorable effect on the price and availability of our healthcare services. See "Regulation". The availability of financing to potential purchasers of our property is also subject to Government regulations stipulating the maximum LTV and FTV ratios in Indonesia and restrictions on the ability of banks to grant residential mortgage loans.

Construction and Raw Materials Expenses

Our property development businesses are subject to fluctuations in construction expenses and raw materials expenses necessary to complete our projects. Construction on a particular property will typically begin when the amount of pre-sales can cover construction costs, but increases (or decreases) in construction costs after the project begins mean that projects will become more (or less) expensive for us to finish than we had originally planned.

Inpatient and Outpatient Services and Demand

We derive a portion of our revenues from the operation of our hospitals, which in turn generate revenue from providing inpatient and outpatient services. Our inpatient revenue is highly dependent on the number of beds we operate, our bed occupancy ratio and the average revenue we earn per patient day and our outpatient revenue is highly dependent upon the number of outpatient visits we receive and the average revenue we earn per outpatient visit. The volume of patients we serve on an inpatient and outpatient basis is in turn driven by, among other things, the hospital image and brand reputation, the type of services offered, the economic and social conditions of local and regional communities, the degree of competition from other hospitals, the clinical reputation of our accredited doctors and their retention and attrition, the effectiveness of our marketing programs, and religious and cultural periods.

Funding position of First REIT and LMIRT

Part of our development funding plan involves the sale of stabilized properties that we have developed to First REIT and LMIRT, the two REITs that we manage. The ability of these two trusts to purchase the properties from us, and therefore provide us with funding for further development, depends on the financial position of the trusts, including their ability to raise additional capital through the issuance of equity or debt. Further, the ability of First REIT and LMIRT to issue new equity or raise or refinance debt depends on a number of factors, including the general economic, regulatory, political and capital market conditions and credit availability. See "Risk Factors — Risks Relating to Our Business — The inability of the REITs that we manage to issue new equity or raise or refinance debt funding could adversely affect our ability to develop new properties".

Performance of REIT Units that We Hold

We hold units in the two REITs that we manage which we acquired through purchases of units, participation in rights offerings and in lieu of management fees due to us. As a liquid security, we are required by Indonesian FAS to hold these units as an available-for-sale financial asset and revalue these units at each balance sheet date. Any changes in the value of these units are reflected in our statements of comprehensive income as other comprehensive income. Accordingly, our total comprehensive income may fluctuate significantly according to the performance of these REIT units.

Hotel Occupancy Rates and Room Rates

We derive a portion of our revenues from the operation of our hotels which are primarily dependent on occupancy rates, room rates and the number of rooms available at our hotels. Key factors affecting our occupancy rates include travel patterns of our hotel guests, competition from other hotels and location and the quality of our services and facilities on offer. A key factor affecting room rates is the type of booking. Wholesale room bookings and travel group bookings receive higher discounts, due to the volume of these bookings, than individual bookings, including walk-in guests and occasional small group guests.

Critical Accounting Policies

We have prepared our financial statements using accounting principles and reporting practices in accordance with Indonesian FAS. Preparation of our financial statements required our management to make estimates and judgments under the critical accounting policies described below.

Revenue and Expense Recognition

We recognize revenues from the sale of real estate using the full accrual method, where specified criteria are met. For sales of vacant land, the criteria to be met are as follows:

- the payments received from the buyer have reached 20% of the agreed selling price and the amount is non-refundable;

- the collectability of the sales price is reasonably assured;

- the receivables from the sale are not subject to future subordination against other loans which will be obtained by the buyer;

- the process of land development has been completed (*i.e.*, the seller is not obliged to develop the sold lots through construction or development of infrastructure in accordance with the sales and purchase agreement or any regulation requirements); and

- the sale consists only of vacant land, without any obligation of the seller to construct any buildings upon the land sold.

For sales of residential houses, shophouses and other similar types of buildings, including parcels of land, the criteria to be met are as follows:

- the sale is consummated;

- the collectability of the sales price is reasonably assured;

- receivables from the sale are not subject to future subordination against other loans which will be obtained by the buyer; and

- the seller has transferred to the buyer the usual risks and rewards of ownership through a transaction representing a sale in substance and the seller does not have a substantial continuing involvement with such property.

Sales of shopping centers and apartments are recognized based on the percentage of completion method, if all of the following criteria are met:

- the construction process is beyond the preliminary stage, meaning that the building foundation has been completed and all of the requirements to start construction have been fulfilled;

- total payments received from the buyer are at least 20% of the contract sales price and such amount is not refundable; and

- the amount of revenue and cost related to the unit property can reasonably be estimated.

The method used to determine the level of development activity completion is based on percentage of actual activities accomplished to total development activities need to be accomplished.

If a real estate sale fails to meet the criteria of full accrual method, revenue recognition is deferred and that transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

The cost of land parcels sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvement and development. The cost of residential houses and shophouses sold is determined based on the actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included under "Accrued Expenses". The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current period.

Revenue from medical services is recognized when medical services are rendered or when medical supplies are delivered to patients.

Rental revenue and other services are recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership fees paid in advance are presented as deferred income and recognized as revenue over the period benefited.

Hotel and restaurant revenues are recognized when the goods or services provided to hotel guests or restaurant visitors. Revenue tuition and membership fees are deferred and recognized as income over the period of the membership.

Expenses are recognized when incurred (accrual basis).

Foreign Currency Transactions and Translation of Financial Statements

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. On the balance sheet dates, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that time. The accounts of foreign subsidiaries are translated into rupiah at the middle rate of exchange prevailing at balance sheet date for balance sheet accounts and the average rate during the year for statement of income accounts. The resulting difference arising from the translations of the financial statements of subsidiaries is recognized in Other Comprehensive Income.

Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping centers, residential houses, shophouses, office buildings, and apartments, including buildings (houses) under construction, are carried at the lower cost or net realizable value. Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, and capitalized interest and other financing charges obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consists of actual construction cost. Inventories in our healthcare business, such as medicines, medical equipment and food, are carried at the lower of cost or net realizable value. Cost is determined by using the average method. Inventories in our hotel business, such as food and beverages, are carried at the lower of cost or net realizable value. Cost is determined by using the first-in-first-out method. Allowance for decline in inventories value is provided for based on a review of inventory status at the end of each year. Land for future development which is owned by us is classified as "Land for Development". Upon the commencement of development and construction of infrastructure, the carrying cost of land will be transferred to the respective real estate inventories or property and equipment accounts, whichever is most appropriate.

The excess of the carrying value of inventories over their estimated recoverable value is recognized as impairment loss under "Provision for Decline in Value of Inventories" in profit or loss. Inventories of our healthcare business (e.g., medicines, medical supplies and others) are carried at the lower of cost and net realizable value ("**NRV**"). Cost is determined by using the average method. Inventories of our hospitality business (e.g., food, beverages and others) are carried at the lower of cost and NRV. Cost is determined by using the first-in-first-out method. Allowance for decline in inventory value is based on a review of inventory status at the end of each period. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. The amount of any write-down of inventories to NRV and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Leases

The determination of whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract at the inception date.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the leases. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership to the lessee.

The Company as lessee:

At the commencement of the lease term under finance lease, we recognize assets and liabilities in our statement of financial position at the lesser of the fair value of the leased property and the present value of the minimum lease payments, as assessed at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is determinable. Otherwise, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognized as an asset. The depreciation policy of any leased asset is the same as the policy for depreciable assets that are owned.

Under an operating lease, we recognize lease payments as an expense on a straight-line basis over the lease term.

The Company as lessors:

We recognize assets under a finance lease as a receivable in our statement of financial position at an amount equal to the net investment in the lease. The collection of lease receivables is treated as principal payments and finance income. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on our net investment in the finance lease as lessor.

We present assets subject to operating leases in our statement of financial position according to the nature of the asset. Any initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the term of the lease on the same basis as the lease income. Contingent rents, if any, are recognized as income in the period incurred. Lease income from operating leases is recognized as revenue on a straight-line basis over the lease term.

Sale and Leaseback:

Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying value are not immediately recognized as income in the financial statements of the seller (lessee), but deferred and amortized over the term of the lease.

- If the sale and leaseback transaction results in an operating lease then the transaction is established at fair value and any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately; except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above the fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

Investment Property

Investment properties are comprised of properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rental revenue or for capital appreciation and not for use in the production or supply of goods or services or for administrative purposes or for sale in the daily business activities of the entity.

Investment property is recognized as an asset if it is probable that the future economic benefits that are associated with the investment property will flow to us and the cost of the investment property can be measured reliably. An investment property is assessed initially at its cost, which comprises purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). After initial recognition, we use the cost model and measure our investment property at acquisition cost less its accumulated depreciation and accumulated impairment losses.

Land rights are not depreciated and are carried at cost.

The cost of repairs and maintenance is charged to profit or loss, as incurred, while significant renovations and additions are capitalized.

Investment property is derecognized in, or removed from, the statement of financial position when it is permanently derecognized or retired and does not have any expected future economic benefit. Gains or losses on the derecognition or disposal of investment property are recognized in the period of such derecognition or disposal.

Property and Equipment

Property and equipment are initially recognized at cost, which comprises purchase price and any costs directly attributable in bringing the assets to the location and condition necessary for their intended operation. When applicable, costs also comprise the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

After initial recognition, property and equipment, except land, are carried at cost less any accumulated depreciation and accumulated impairment losses.

The cost of repairs and maintenance is charged to operations, as incurred, while significant renovations and additions are capitalized. The carrying value of any part that is replaced is written off.

Property and equipment that we build is presented as "Construction in Progress" and is recorded at cost. All costs incurred relating to the construction of such assets are capitalized as part of cost of construction in progress. Accumulated costs are transferred to the respective property and equipment items at the time the asset is completed or ready for use.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is recognized in the period of disposal.

At the end of each financial period, we review all useful life residual values, and methods of depreciation and the remaining useful life based on each asset's technical condition.

Post-employment Benefits

The present value of post-employment benefits liability depends on several factors that are determined on an actuarial basis based on several assumptions, including the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits.

We determine the appropriate discount rate at the end of the relevant reporting period and use that rate to determine the present value of future cash outflows expected to settle an estimated liability. In determining the appropriate level of interest rates, we consider the interest rate of Government bonds denominated in Rupiah that has a similar period to the corresponding period of liability.

Other key assumptions are determined by, among other considerations, the current market conditions during the period in which the post-employment benefits liability is resolved. Changes in the employee benefits assumptions will impact recognition of actuarial gains or losses at the end of the relevant reporting period.

For a discussion of other significant accounting policies, see Note 2 of our consolidated financial statements included elsewhere in this Offering Circular.

Our Results of Operations and Financial Condition

Revenues

The following table sets forth information about our revenues for the periods indicated:

	For the Years Ended December 31,				For the Six Month Ended June 30,		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
	Rp	**Rp**	**Rp**	**US$**	**Rp**	**Rp**	**US$**
	(Rp in billions and US$ in millions)						
Development Revenue							
Urban Development							
Land Lots	862.4	792.4	601.0	45.6	302.2	234.4	17.8
Residential Houses and Shophouses	852.1	1,288.0	1,685.9	127.9	607.8	702.7	53.3
Memorial Park	134.2	154.3	182.5	13.8	105.1	90.1	6.8
Asset Enhancement(1)	29.7	24.4	116.0	8.8	52.0	59.8	4.5
Others	5.3	3,384.6	44.4	3.4	8.1	76.0	5.8
Sub Total	1,883.7	5,643.7	2,629.8	199.5	1,075.2	1,163.0	88.2
Large Scale Integrated Development							
Apartments	1,097.6	1,316.8	747.5	56.7	964.3	596.8	45.3
Asset Enhancements(1)	25.1	18.6	26.0	2.0	13.0	13.0	1.0
Sub Total	1,122.8	1,335.4	773.5	58.7	977.3	609.8	46.3
Retail Malls							
Asset Enhancements(1)	193.3	303.1	239.5	18.2	110.8	163.8	12.4
Shopping Centers	8.6	5.0	1.0	0.1	—	—	—
Sub Total	201.8	308.1	240.5	18.2	110.8	163.8	12.4
Total Development Revenue	3,208.3	7,287.1	3,643.8	276.5	2,163.2	1,936.6	146.9
Recurring Revenue							
Healthcare							
Inpatient Department:							
Medical Support Services and Professional Fees	557.5	745.1	970.8	73.7	457.2	566.3	43.0
Drug and Medical Supplies	584.7	734.3	885.8	67.2	426.0	551.0	41.8
Ward Fees	199.9	286.7	362.4	27.5	179.9	237.0	18.0
Administration Fees	60.9	73.8	87.1	6.6	43.0	54.8	4.2
Operating Theater	38.2	80.6	109.3	8.3	52.3	56.6	4.3
Delivery Fees	0.9	1.2	0.8	0.1	0.4	1.1	0.1
Others	98.8	138.6	167.4	12.1	73.0	116.0	8.8
Outpatient Department:							
Medical Support Services and Professional Fees	590.1	777.2	961.4	69.7	455.0	579.6	44.0
Drugs and Medical Supplies	298.5	390.7	479.8	34.8	230.5	299.7	22.7
Registration Fees	29.7	33.7	40.8	3.0	20.2	29.2	2.2
Others	44.3	78.7	77.5	5.6	49.5	63.6	4.8
Sub Total	2,503.6	3,340.8	4,144.1	300.3	1,987.0	2,554.8	193.8
Hospitality and Infrastructure							
Hotel and Restaurants	312.7	293.1	297.2	22.5	138.4	149.0	11.3
Town Management	155.3	201.9	250.5	19.0	122.9	157.3	11.9
Water and Sewage Treatment	113.4	130.4	132.5	10.1	64.3	67.6	5.1
Recreation and Sports	61.1	68.6	69.6	5.3	34.9	33.5	2.5
Others	14.8	27.1	35.3	2.7	12.9	22.3	1.7
Sub Total	657.5	721.1	785.0	59.6	373.4	429.7	32.6
Property and Portfolio Management							
Management Fees	296.8	306.0	337.3	25.6	157.5	187.7	14.2
Total Recurring Revenue	3,457.9	4,367.7	5,266.5	399.6	2,517.8	3,172.2	240.7
Total Net Sales, Service and Other Revenues	6,666.2	11,655.0	8,910.2	676.0	4,681.0	5,108.9	387.6

(1) Revenue from asset enhancement represents revenue from the rental of our assets.

Development and Recurring Revenues

Our total revenues can be separated into development revenues and recurring revenues. Development revenues are primarily derived from the development and sale of properties from the following business units: urban development, large scale integrated development and retail malls. Development revenues also include rental income from the lease of undeveloped properties in our landbank and unsold properties in our strata-titled malls.

Recurring revenues are derived from the revenue received from our healthcare, hospitality and infrastructure and property and portfolio management business units.

Cost of Sales

Our cost of sales include:

- expenses associated with the development and sale of land and buildings, including land acquisition costs as well as certain current expenses from project management;
- building expenses, which consist of electricity, water and gas charges, allowances for the depreciation and amortization of property and equipment; repairs and maintenance expenses; insurance expenses, cleaning expenses, taxes in relation to our land and buildings and other expenses;
- personnel expenses, which include salary and bonuses, medical expenses and transportation allowances;
- hospital departmental expenses, which consist of the expenses associated with the operation of the hospital; and
- hotel departmental expenses, which consist of the expenses associated with the operation of the hotel.

The following table sets forth the breakdown of our cost of sales and each item as a percentage of our total cost of sales and services for the periods indicated:

	For the Years Ended December 31,							For the Six Months Ended June 30,				
	2013		2014		2015			2015		2016		
	Rp	%	Rp	%	Rp	US$	%	Rp	%	Rp	US$	%
	(Rp billions and US$ millions unless otherwise stated)											
Urban Development												
Land Lots	351.0	9.7	317.4	5.1	230.3	17.5	4.8	76.4	3.0	150.8	11.4	5.3
Residential Houses and Shophouses	438.8	12.1	535.1	8.6	721.3	54.7	15.1	235.3	9.4	290.2	22.0	10.3
Memorial Park	22.3	0.6	28.3	0.5	30.4	2.3	0.6	18.5	0.7	14.0	1.1	0.5
Asset Enhancements	22.1	0.6	1.5	0.0	4.8	0.4	0.1	0.7	0.0	4.2	0.3	0.1
Others	1.4	0.0	1,993.5	31.9	13.3	1.0	0.3	6.2	0.2	25.2	1.9	0.9
Sub Total	835.6	23.1	2,875.8	46.1	1,000.2	75.9	20.9	337.0	13.5	484.3	36.7	17.2
Large Scale Integrated Development												
Apartments	519.8	14.4	622.1	9.9	359.7	27.3	7.5	535.7	21.3	325.9	24.7	11.5
Asset Enhancements	15.4	0.4	1.7	0.0	1.7	0.1	0.0	0.8	0.0	0.8	0.1	0.0
Sub Total	535.2	14.8	623.8	9.9	361.3	27.4	7.5	536.5	21.5	326.7	24.8	11.6
Retail Malls												
Asset Enhancements	0.6	0.0	4.5	0.1	12.9	1.0	0.3	3.7	0.1	3.1	0.2	0.1
Shopping Centers	2.2	0.1	2.0	0.0	0.4	0.0	0.0	—	—	—	—	—
Sub Total	2.8	0.1	6.5	0.1	13.3	1.0	0.3	3.7	0.1	3.1	0.2	0.1

	For the Years Ended December 31,							For the Six Months Ended June 30,				
	2013		2014		2015			2015		2016		
	Rp	%	Rp	%	Rp	US$	%	Rp	%	Rp	US$	%
	(Rp billions and US$ millions unless otherwise stated)											
Healthcare												
Inpatient Department:												
Professional Fees, Salaries and Employees' Benefits	510.7	14.1	653.5	10.4	871.4	66.1	18.2	409.8	16.3	472.1	35.8	16.7
Drug and Medical Supplies	371.7	10.3	460.4	7.4	517.0	39.2	10.8	253.9	10.1	307.1	23.3	10.9
Clinical Supplies	51.2	1.4	58.6	0.9	65.5	5.0	1.4	31.6	1.3	44.2	3.4	1.6
Depreciation	96.6	2.7	118.1	1.9	155.0	11.8	3.2	72.2	2.9	77.8	5.9	2.8
Food and Beverages	44.9	1.2	52.5	0.8	64.6	4.9	1.3	32.4	1.3	39.1	3.0	1.4
Referral Fees	26.3	0.7	24.9	0.4	43.8	3.3	0.9	20.8	0.8	25.2	1.9	0.9
Others	43.1	1.1	67.4	1.1	95.4	7.2	2.0	40.8	1.6	130.1	9.9	4.6
Outpatient Department:												
Professional Fees, Salaries and Employees' Benefits	337.2	9.3	453.5	7.2	559.5	42.4	11.7	264.7	10.5	313.9	23.8	11.1
Drug and Medical Supplies	249.6	6.9	325.2	5.2	391.4	29.7	8.2	188.3	7.5	227.9	17.3	8.1
Clinical Supplies	23.9	0.7	31.0	0.5	30.4	2.3	0.6	14.8	0.6	17.9	1.4	0.6
Depreciation	53.4	1.5	68.3	1.1	90.7	6.9	1.9	42.7	1.7	46.3	3.5	1.6
Referral Fees	9.6	0.3	30.4	0.5	51.2	3.9	1.1	25.4	1.0	32.6	2.5	1.2
Others	26.7	0.7	45.1	0.7	62.0	4.7	1.3	23.4	0.9	54.9	4.2	1.9
Sub Total	1,844.9	51.0	2,388.9	38.2	2,997.8	227.5	62.6	1,420.9	57.0	1,788.9	135.7	63.4
Hospitality and Infrastructure												
Hotel and Restaurants	102.3	2.8	103.2	1.6	107.5	8.2	2.2	51.5	2.1	60.8	4.6	2.2
Town Management	105.5	2.9	155.3	2.5	153.2	11.6	3.2	71.0	2.8	100.0	7.6	3.5
Water and Sewage Treatment	35.7	1.0	53.4	0.9	98.0	7.4	2.0	46.2	1.8	30.0	2.3	1.1
Recreation and Sports	19.3	0.5	21.4	0.3	22.8	1.7	0.5	11.1	0.4	10.4	0.8	0.4
Others	18.6	0.5	15.1	0.2	19.7	1.5	0.4	6.7	0.3	10.8	0.8	0.4
Sub Total	281.4	7.8	348.4	5.5	401.3	30.4	8.4	186.5	7.5	212.1	16.1	7.5
Property and Portfolio Management(1)												
Management Fees	119.7	3.3	14.4	0.2	17.7	1.3	0.4	8.6	0.3	7.1	0.5	0.3
Total Cost of Sales	3,619.6	100.0	6,257.7	100.0	4,791.7	363.6	100.0	2,509.6	100.0	2,822.3	214.1	100.0

(1) *Cost of sales does not necessarily track all costs associated directly with this business unit because the Company does not fully allocate costs of sales and services to its property and portfolio management business unit.*

Other Income and Expenses

Our other income include the following:

- dividend income, which represents distributions from units held in LMIRT;
- penalties, which represent penalties paid to us by customers upon cancelation of sales transactions and late payments;
- gain on foreign exchange — net;
- gain on sale of property and equipment; and
- gain on sale and leaseback.

Our other expenses include the following:

- amortization expenses; and
- loss on foreign exchange — net.

Operating Expenses

Our operating expenses include the following:

- selling expenses, which relate to marketing activities and which consist of expenses allocated for marketing and advertising to promote our business, salaries and employee benefits, management fees, repairs and maintenance, depreciation, transportation and accommodation, electricity and water expenses and office supplies; and

- general and administrative expenses, which consist of salaries and employee benefits, electricity and water expenses, depreciation, transportation and accommodation, professional fees, net rental expenses (which consist of lease payments to First REIT pursuant to sale and leaseback transactions, and offset by dividend income from units held in First REIT and amortization of the gains from sale and leaseback of properties to First REIT), repairs and maintenance, office supplies, training and seminar, communication, membership and subscription fees and insurance.

Tax Expenses

Tax expenses comprise current tax expenses and deferred tax expenses. With effect from January 1, 2015, in connection with the adoption of PSAK No. 46, we reclassified final tax as part of our revenue for the period, whereby final tax is deducted directly from revenues for the period (rather than profit before tax). Prior to January 1, 2015, both final tax and progressive tax were classified within tax expenses (and deducted from profit before tax). Final tax is assessed with regard to our property derived revenue, while progressive tax is assessed with regard to our non-property derived revenue.

__Results of Operations__

The following table sets forth the breakdown of our results of operations and each item as a percentage of our revenues for the periods indicated:

	For the Years Ended December 31,							For the Six Months Ended June 30,				
	2013		2014		2015			2015		2016		
	Rp	%	Rp	%	Rp	US$	%	Rp	%	Rp	US$	%
	(Rp billions and US$ millions unless otherwise stated)											
Revenues	6,666.2	100.0	11,655.0	100.0	8,910.2	676.0	100.0	4,681.0	100.0	5,108.9	387.6	100.0
Final Tax Expenses(1)	(168.0)	(2.5)	(372.4)	(3.2)	(206.5)	(15.7)	(2.3)	(119.7)	(2.5)	(115.9)	(8.8)	(2.3)
Revenues — Net	6,498.2	97.5	11,282.6	96.8	8,703.7	660.4	97.7	4,561.3	97.5	4,992.9	378.8	97.7
Cost of Sales	(3,620.0)	(54.3)	(6,257.7)	(53.7)	(4,791.7)	(363.6)	(53.8)	(2,493.2)	(53.5)	(2,822.3)	(214.1)	(55.2)
Gross Profit	**2,878.6**	**43.2**	**5,024.9**	**43.1**	**3,912.0**	**296.8**	**43.9**	**2,068.1**	**44.2**	**2,170.7**	**164.7**	**42.5**
Other Income	585.1	8.8	595.4	5.1	240.0	18.2	2.7	(1,047.3)	(22.3)	(1,325.1)	(100.5)	(25.9)
Operating Expenses	(1,516.8)	(22.8)	(2,119.2)	(18.2)	(2,391.1)	(181.4)	(26.8)	185.5	3.9	268.7	20.4	5.3
Other Expenses	(154.5)	(2.3)	(63.5)	(0.5)	(270.6)	(20.5)	(3.0)	(35.3)	(0.8)	(107.1)	(8.1)	(2.1)
Profit From Operations	**1,792.4**	**26.9**	**3,437.8**	**29.5**	**1,490.3**	**113.1**	**16.7**	**1,171.0**	**24.9**	**1,007.2**	**76.4**	**19.7**
Financial Income (Charges) — Net	(26.7)	(0.4)	(122.1)	(1.0)	(177.0)	(13.4)	(2.0)	(54.1)	1.2	(158.5)	(12.0)	(3.1)
Share in the Profit (Loss) of Associates	8.5	0.1	8.2	0.1	(13.1)	(1.0)	(0.1)	5.2	0.1	4.5	0.3	0.1
Loss on Disposal of Available for Sale Financial Assets	—	—	—	—	(15.4)	(1.2)	(0.2)	—	—	—	—	—
Profit Before Tax	**1,774.2**	**26.6**	**3,324.0**	**28.5**	**1,284.8**	**97.5**	**14.4**	**1,122.1**	**23.9**	**853.1**	**64.7**	**16.7**
Tax Expenses(1)	(162.2)	(2.4)	(184.0)	(1.6)	(260.7)	(19.8)	(2.9)	(136.6)	(2.9)	(135.6)	(10.3)	(2.7)
Profit for the Period	**1,612.0**	**24.2**	**3,140.0**	**26.9**	**1,024.1**	**77.7**	**11.5**	**985.5**	**21.0**	**717.5**	**54.4**	**14.0**
Other Comprehensive Income After Tax												
Other Comprehensive Income Item that will not be Reclassified Subsequently to Profit or Loss:												
Loss from Remeasurement of Defined Benefits Plan	(38.6)	(0.6)	(19.0)	(0.2)	(8.9)	(0.7)	(0.1)	63.2	1.3	22.4	1.7	0.4
Portion of Remeasurement of Defined Benefit Plan of Associates	—	—	—	—	(1.2)	(0.0)	(0.0)	—	—	—	—	—
Income Tax Related to Items that will not be Reclassified Subsequently to Profit or Loss:	10.0	0.2	6.1	0.1	(4.5)	(0.3)	(0.1)	(14.5)	(0.3)	(1.2)	(0.1)	0.0
Other Comprehensive Income Items that will be Reclassified Subsequently to Profit or Loss:												
Gain (Loss) from Translations of Financial Statements in Foreign Currency	551.9	8.2	117.5	1.0	(244.6)	(18.6)	(2.7)	(134.9)	(2.9)	(58.3)	4.4	(1.1)
Gain (Loss) on Remeasurement in Fair Value of Available-for-Sale Financial Assets	(468.3)	(7.0)	(255.8)	(2.2)	(132.6)	(10.1)	(1.5)	823.7	17.5	433.4	32.9	8.5
Reclassified Adjustment on Loss Available-for-Sale Financial Assets in Profit and Loss	—	—	—	—	(15.4)	(1.2)	(0.2)	(15.4)	(0.3)	—	—	—
Income Tax Related to Items that will be Reclassified Subsequently to Profit or Loss	—	—	—	—	0.0	0.0	0.0	15.4	—	—	—	—
Other Comprehensive Income (Loss) for After Tax The Period	**55.0**	**0.8**	**(151.3)**	**(1.3)**	**(407.2)**	**(30.9)**	**(4.6)**	**722.1**	**15.4**	**396.2**	**30.1**	**7.8**
Total Comprehensive Income for the Period	**1,667.0**	**25.0**	**2,988.6**	**25.6**	**616.9**	**46.8**	**6.9**	**1,707.5**	**36.3**	**1,113.7**	**84.5**	**21.8**

(1) *With effect from January 1, 2015, in connection with the adoption of PSAK No.46, the Company reclassified final tax as part of its revenue for the period, whereby final tax is required to be deducted directly from revenues for the period (rather than profit before tax). Prior to January 1, 2015, both final tax and progressive tax were classified within tax expenses (and deducted from profit before tax). Final tax for the years ended December 31, 2013 and 2014, amounted to Rp168.0 billion and Rp372.4 billion (US$25.4 million), respectively.*

Results of Operations for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015

Revenues. Our revenues increased by 9.1% to Rp5,108.9 billion (US$387.6 million) for the six months ended June 30, 2016 from Rp4,681.0 billion for the six months ended June 30, 2015. Of this amount, for the six months ended June 30, 2016, development revenues accounted for 37.9% of total revenues, while recurring revenues accounted for 62.1% of total revenues. For the six months ended June 30, 2015, development revenues accounted for 46.2% of total revenues, while recurring revenues accounted for 53.8% of total revenues. The increase in our revenues was primarily driven by the increase of our healthcare revenue for the six months ended June 30, 2016.

- *Development Revenues*. Development revenues decreased by 10.5% to Rp1,936.6 billion (US$146.9 million) for the six months ended June 30, 2016 from Rp2,163.2 billion for the six months ended June 30, 2015.

  - *Urban Development*. Urban development revenue increased by 8.2% to Rp1,163.0 billion (US$88.2 million) for the six months ended June 30, 2016 from Rp1,075.2 billion for the six months ended June 30, 2015. This increase was primarily due to an increase in the recognition of sales from Lippo Cikarang, which increased to Rp741.7 billion for the six months ended June 30, 2016 from Rp656.3 billion for the six months ended June 30, 2015.

  - *Large Scale Integrated Development*. Large scale integrated development revenue decreased by 37.6% to Rp609.8 billion (US$46.3 million) for the six months ended June 30, 2016 from Rp977.3 billion for the six months ended June 30, 2015. This decrease was primarily due to the decrease in the recognition of sales of Kemang Village and St Moritz for the six months ended June 30, 2016 as compared to the six months ended June 30, 2015 as a result of fewer properties being available for sale during the six months ended June 30, 2016.

  - *Retail Malls*. Revenue from our retail malls business unit increased by 47.9% to Rp163.8 billion (US$12.4 million) for the six months ended June 30, 2016 from Rp110.8 billion for the six months ended June 30, 2015. This increase was primarily driven by an increase in revenue from Lippo Mall Puri Phase 2 which commenced operations in June 2016 and Lippo Mall Yogya, which commenced operations in June 2015.

- *Recurring Revenues*. Recurring revenues increased by 26.0% to Rp3,172.2 billion (US$240.7 million) for the six months ended June 30, 2016 from Rp2,517.8 billion for the six months ended June 30, 2015. For the six months ended June 30, 2016, the largest portion of recurring revenues was generated by our healthcare business unit, which contributed 80.5% of total recurring revenues and 50.0% of our total revenues.

  - *Healthcare*. Healthcare revenue increased by 28.6% to Rp2,554.8 billion (US$193.8 million) for the six months ended June 30, 2016 from Rp1,987.0 billion for the six months ended June 30, 2015, primarily due to the increase of the revenue from our new hospitals in six months ended June 30, 2016 as compared to the six months ended June 30, 2015.

  - *Hospitality and Infrastructure*. Hospitality and infrastructure revenues increased by 15.1% to Rp429.7 billion (US$32.6 million) for the six months ended June 30, 2016 from Rp373.4 billion for the six months ended June 30, 2015, mainly due to an increase in township management revenue as a result of an increase in town management activities of Lippo Village.

  - *Property and Portfolio Management*. Property and portfolio management revenues increased by 19.2% to Rp187.7 billion (US$14.2 million) for the six months ended June 30, 2016 from Rp157.5 billion for the six months ended June 30, 2015. The increase was primarily due to increase in revenue from Lippo Malls Indonesia, as Sky Parking revenue increase and the number of malls that we managed increased as of June 30, 2016.

Final Tax Expense. Our final tax expense decreased by 3.2% to Rp115.9 billion (US$8.8 million) for the six months ended June 30, 2016 from Rp119.7 billion for the six months ended June 30, 2015, primarily due to a decrease in our revenues derived from property sales for the six months ended June 30, 2016. See "— Tax Expenses" and "— Our Results of Operations and Financial Condition — Tax Expenses".

Cost of Sales. Our cost of sales increased by 13.2% to Rp2,822.3 billion (US$214.1 million) for the six months ended June 30, 2016 from Rp2,493.2 billion for the six months ended June 30, 2015. Of this amount, for the six months ended June 30, 2015 costs relating to urban development, large scale integrated development and retail malls accounted for 28.8% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 71.2% of total cost of sales. For the six months ended June 30, 2015, costs relating to urban development, large scale integrated development and retail malls accounted for 35.2% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 64.8% of total cost of sales.

- *Urban Development*. Cost of sales for our urban development business unit increased by 43.7% to Rp484.3 billion (US$36.7 million) for the six months ended June 30, 2016 from Rp337.0 billion for the six months ended June 30, 2015. Our cost of sales for our urban development business unit increased at a higher rate than our revenues for our urban development business unit primarily due to an increase in the sale of KSO (joint operation) industrial land, which generates a lower margin than non-KSO industrial land, during the six months ended June 30, 2016.

- *Large Scale Integrated Development*. Cost of sales for our large scale integrated development business unit decreased by 39.1% to Rp326.7 billion (US$24.8 million) for the six months ended June 30, 2016 from Rp536.5 billion for the six months ended June 30, 2015, in line with the decrease in revenues from this business unit in 2015.

- *Retail Malls*. Cost of sales for our retail malls business unit decreased to Rp3.1 billion (US$0.2 million) for the six months ended June 30, 2016 from Rp3.7 billion for the six months ended June 30, 2015.

- *Healthcare*. Cost of sales for our healthcare business unit increased by 25.9% to Rp1,788.9 billion (US$135.7 million) for the six months ended June 30, 2016 from Rp1,420.9 billion for the six months ended June 30, 2015. The proportion of cost of sales for our healthcare business unit also increased to 63.4% of total cost of sales for the six months ended June 30, 2016 from 57.0% of total cost of sales for the six months ended June 30, 2015. The increase of cost of sales was in line with the increase of revenue.

- *Hospitality and Infrastructure*. Cost of sales for our hospitality and infrastructure business unit increased by 13.7% to Rp212.1 billion (US$16.1 million) for the six months ended June 30, 2016 from Rp186.5 billion for the six months ended June 30, 2015.

- *Property and Portfolio Management*. Cost of sales for our property and portfolio management decreased by 17.7% to Rp7.1 billion (US$0.5 million) for the six months ended June 30, 2016 from Rp8.6 billion for the six months ended June 30, 2015 due to a decrease in revenues from management fees related to our Aryaduta hotels, whereby the costs associated with the management of our Aryaduta hotels constitutes the entire costs of sales for our property and portfolio segment.

Gross Profit. Our gross profit increased by 5.0% to Rp2,170.7 billion (US$164.7 million) for the six months ended June 30, 2016 from Rp2,068.1 billion for the six months ended June 30, 2015. Gross profit margin decreased slightly from 44.2% for the six months ended June 30, 2015 to 42.5% for the six months ended June 30, 2016.

Operating Expenses. Operating expenses increased by 26.5% to Rp1,325.1 billion (US$100.5 million) for the six months ended June 30, 2016 from Rp1,047.3 billion for the six months ended June 30, 2015, mainly due to the increase in general and administrative expenses to Rp1,049.7 billion for the six months ended June 30, 2016 from Rp804.6 billion for the six months ended June 30, 2015.

- *Selling Expenses*. Selling expenses increased by 13.5% to Rp275.4 billion (US$20.9 million) for the six months ended June 30, 2016 from Rp242.7 billion for the six months ended June 30, 2015, mainly due to the increase in salary and employee benefits and electricity and water expenses.

- *General and Administrative Expenses*. General and administrative expenses increased by 30.5% to Rp1,049.7 billion (US$79.6 million) for the six months ended June 30, 2016 from Rp804.6 billion for the six months ended June 30, 2015, mainly due to an increase in salary and employee benefits and an increase in the rental expense for the six months ended June 30, 2016.

Other Income. Other income increased by 44.8% to Rp268.7 billion (US$20.4 million) for the six months ended June 30, 2016 from Rp185.5 billion for the six months ended June 30, 2015, mainly due the gain on foreign exchange — net for the six months ended June 30, 2016 of Rp142.9 billion from Rp22.4 billion for the six months ended June 30, 2016.

- *Gain on Foreign Exchange — Net.* Gain on foreign exchange increased to Rp142.9 billion for the six months ended June 30, 2016 from Rp22.4 billion for the six months ended June 30, 2015, mainly due to appreciation of the Rupiah against the US dollar against the Rupiah.

- *Dividend income.* Dividend income increased by 26.7% to Rp125.7 billion (US$9.5 million) for the six months ended June 30, 2016 from Rp99.2 billion for the six months ended June 30, 2015, as a result of an increase in distributions received on our LMIRT units and First REIT units for the six months ended June 30, 2016.

- *Other.* Other income for the six months ended June 30, 2016 was Rp30.9 million while for the six months ended June 30, 2015 was Rp63.9 billion, mainly due to management service income received at Lippo Cikarang.

Other Expenses. Other expenses increased to Rp107.1 billion (US$8.1 million) for the six months ended June 30, 2016 from Rp35.3 billion for the six months ended June 30, 2015.

- *Amortization expense.* Amortization expenses for the six months ended June 30, 2016 decreased to Rp32.0 billion from Rp 35.3 billion in the six months ended June 30, 2015, primarily as a result of a decrease in the amortization expenses in our healthcare business due to the full amortization of certain deferred charges in December 2015.

- *Penalty expense.* Penalty expense for the six months ended June 30, 2016 was Rp28.6 billion while it was nil for the six months ended June 30, 2015. The expense was due to the payment of penalties at the St Moritz apartment in the six months ended June 30, 2016 due to a delivery delay.

- *Others.* Other expense for the six months ended June 30, 2016 was Rp46.5 billion while it was nil for the six months ended June 30, 2015. The expense was due to the provision for doubtful accounts with respect to our healthcare business relating to a change in our doubtful accounts accounting policy and other operating expenses in the six months ended June 30, 2016.

Profit from Operations. Profit from operations decreased to Rp1,007.2 billion (US$76.4 million) for the six months ended June 30, 2016 from Rp1,171.0 billion for the six months ended June 30, 2015 as a result of the above.

Financial Income (Charges) — Net. Financial charges — net increased by 193.2% to Rp158.5 billion (US$12.0 million) for the six months ended June 30, 2016 from Rp54.1 billion for the six months ended June 30, 2015, primarily due to an increase in our interest expenses from the drawdown of our credit facility with Bank Mega.

Share in the Profit of Associates. Share in the profit of associates slightly decreased to Rp4.5 billion (US$0.3 million) for the six months ended June 30, 2016 from Rp5.2 billion for the six months ended June 30, 2015.

Profit Before Tax. Profit before tax decreased by 24.0% to Rp853.1 billion (US$64.7 million) for the six months ended June 30, 2016 from Rp1,122.1 billion for the six months ended June 30, 2015, as a result of the above.

Tax Expenses. Tax expenses decreased slightly to Rp135.6 billion (US$10.3 million) for the six months ended June 30, 2016 from Rp136.6 billion for the six months ended June 30, 2015, mainly as a result of an increase in current tax expense.

- *Current.* Current progressive tax expenses increased to Rp147.2 billion (US$11.2 million) for the six months ended June 30, 2016 from Rp131.7 billion for the six months ended June 30, 2015.

- *Deferred.* Deferred progressive tax benefit was Rp11.6 billion (US$0.9 million) for the six months ended June 30, 2016 compared to deferred progressive tax expense of Rp4.9 billion for the six months ended June 30, 2015.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".

Profit. Profit decreased by 27.2% to Rp717.5 billion (US$54.4 million) for the six months ended June 30, 2016 from Rp985.5 billion for the six months ended June 30, 2015.

Total Other Comprehensive Income (Loss). Total other comprehensive income decreased to Rp396.2 billion (US$30.1 million) for the six months ended June 30, 2016 from Rp722.1 billion for the six months ended June 30, 2015, primarily as a result of a decrease in gain from remeasurement in fair value of Available for Sale Financial Assets.

Total Comprehensive Income. As a result of the foregoing factors, our total comprehensive income decreased by 34.8% to Rp1,113.7 billion for the six months ended June 30, 2016 from Rp1,707.5 billion for the six months ended June 30, 2015.

Results of Operations for the year ended December 31, 2015 as compared to the year ended December 31, 2014

Revenues. Our revenues decreased by 23.6% to Rp8,910.2 billion (US$676.0 million) in 2015 from Rp11,655.0 billion in 2014. Of this amount, in 2015 development revenues accounted for 40.9% of total revenues, while our recurring revenues accounted for 59.1% of total revenues. In 2014, development revenues accounted for 62.5% of total revenues, while our recurring revenues accounted for 37.5% of total revenues. The decrease in our revenues was primarily driven by the extra-ordinary revenue from disposal of Lippo Mall Kemang in 2014.

- *Development Revenues*. Development revenues decreased by 50.0% to Rp3,643.7 billion (US$276.5 million) in 2015 from Rp7,287.1 billion in 2014. The decrease in development revenues in 2015 was mainly due to the decrease in urban development revenue.

  - *Urban Development*. Urban development revenue decreased by 53.5% to Rp2,629.8 billion (US$199.5 million) in 2015 from Rp5,649.9 billion in 2014. This decrease was primarily due to the sale of Lippo Mall Kemang to LMIRT in 2014 for an amount of Rp3,371.8 billion (US$255.8 million) compared to no such sales in 2015. Excluding assets sold, revenue from Urban Development increased by 15.8% bolstered by residential revenue from Lippo Cikarang, which increased by 46.8%.

  - *Large Scale Integrated Development*. Large scale integrated development revenue decreased by 42.1% to Rp773.5 billion (US$58.7 million) in 2015 from Rp1,335.4 billion in 2014. This decrease was primarily due to a decrease in the recognition of sales of Kemang Village from Rp717.9 billion in 2014 to Rp238.5 billion (US$18.1 million) in 2015 as a result of fewer properties being available for sale during 2015 following the completion of this development in 2014.

  - *Retail Malls*. Revenue from our retail malls business unit decreased by 21.6% to Rp240.5 billion (US$18.2 million) in 2015 from Rp306.8 billion in 2014. This decrease was primarily due to the fact that we did not record any revenue from Lippo Kemang Mall in 2015, as this mall was sold to LMIRT at the end of 2014, which was partially offset from the recognition of revenues from Lippo Mall Puri, which commenced operations in June 2014.

- *Recurring Revenues*. Recurring revenues increased by 20.6% to Rp5,266.5 billion (US$399.6 million) in 2015 from Rp4,367.9 billion in 2014. In 2015, the largest portion of recurring revenues was generated by our healthcare business unit, which contributed 78.7% of total recurring revenues.

  - *Healthcare*. Healthcare revenue increased by 24.0% to Rp4,144.1 billion (US$314.4 million) in 2015 from Rp3,340.8 billion in 2014, primarily due to the fact that we were able to fully recognize revenue for new hospitals that were opened in 2014 during full year 2015, as compared to only partial recognition of revenues for these hospitals during 2014. The increase in revenue was also driven by two new hospitals that commenced operation in 2015, namely Siloam Kupang and Siloam Medan.

- *Hospitality and Infrastructure*. Hospitality and infrastructure revenues increased by 8.9% to Rp785.0 billion (US$59.6 million) in 2015 from Rp721.1 billion in 2014, mainly due to an increase in township management revenue as a result of an increase in occupancy rates in Kemang Village apartments and St Moritz apartments.

- *Property and Portfolio Management*. Property and portfolio management revenues increased by 10.2% to Rp337.3 billion (US$25.6 million) in 2015 from Rp306.0 billion in 2014. The increase was primarily driven by the increase in revenue from LMIRT Management ("**LMI**") as the number of malls that we managed increased to 43 in 2015 from 40 in 2014.

Final Tax Expense. Our final tax expense decreased by 44.5% to Rp206.5 billion (US$15.7 million) in 2015 from Rp372.4 billion in 2014, primarily due to a decrease in our revenues derived from property sales in 2015. See "— Tax Expenses" and "— Our Results of Operations and Financial Condition — Tax Expenses".

Cost of Sales. Our cost of sales decreased by 23.4% to Rp4,791.6 billion (US$363.6 million) in 2015 from Rp6,257.7 billion in 2014. Of this amount, in 2015 costs relating to urban development, large scale integrated development and retail malls accounted for 29.3% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 70.7% of total cost of sales. In 2014, costs relating to urban development, large scale integrated development and retail malls accounted for 56.0% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 44.0% of total cost of sales.

- *Urban Development*. Cost of sales for our urban development business unit decreased by 64.1% to Rp1,031.1 billion (US$78.2 million) in 2015 from Rp2,871.7 billion in 2014. The proportion of cost of sales for our urban development business decreased to 21.5% of total cost of sales in 2015 from 46.0% of total cost of sales in 2014. The decrease in cost of sales was primarily due to the absence of asset disposals in 2015, compared to 2014, when Lippo Mall Kemang was sold to LMIRT.

- *Large Scale Integrated Development*. Cost of sales for our large scale integrated development business unit decreased by 42.2% to Rp360.7 billion (US$27.4 million) in 2015 from Rp623.8 billion in 2014, in line with the decrease in revenues from this business unit in 2015.

- *Retail Malls*. Cost of sales for our retail malls business unit increased by 23.9% to Rp13.3 billion (US$1.0 million) in 2015 from Rp10.8 billion in 2014, primarily driven by the significant increase in the recognition of operating costs of Lippo Mall Puri, which opened in June 2014.

- *Healthcare*. Cost of sales for our healthcare business unit increased by 24.2% to Rp2,967.6 billion (US$225.2 million) in 2015 from Rp2,388.7 billion in 2014, which was in line with the increase in revenues from this business unit in 2015 and represents additional associated costs relating to newly opened hospitals.

- *Hospitality and Infrastructure*. Cost of sales for our hospitality and infrastructure business unit increased by 15.2% to Rp401.3 billion (US$30.4 million) in 2015 from Rp348.3 billion in 2014. The increase in cost of sales was in line with the increase in revenues from this business unit in 2015.

- *Property and Portfolio Management*. Cost of sales for our property and portfolio management increased by 23.4% to Rp17.7 billion (US$1.3 million) in 2015 from Rp14.4 billion in 2014, primarily due to an increase in salary expenses relating to hotel management, which were previously associated with our urban development business unit.

Gross Profit. Our gross profit decreased by 22.1% to Rp3,912.0 billion (US$296.8 million) in 2015 from Rp5,024.9 billion in 2014, as a result of the absence of disposal asset in 2015.

Operating Expenses. Operating expenses increased by 12.8% to Rp2,391.1 billion (US$181.4 million) in 2015 from Rp2,119.2 billion in 2014, mainly due to the increase in general and administrative expenses to Rp1,752.7 billion (US$133.0 million) in 2015 from Rp1,554.4 billion in 2014.

- *Selling Expenses*. Selling expenses increased by 13.1% to Rp638.5 billion (US$48.4 million) in 2015 from Rp564.7 billion in 2014, mainly due to an increase in salaries and employee benefits to Rp152.5 billion (US$11.6 million) in 2015 from Rp120.7 billion in 2014 resulting from an increase in average wages.

- *General and Administrative Expenses*. General and administrative expenses increased by 12.8% to Rp1,752.6 billion (US$133.0 million) in 2015 from Rp1,554.4 billion in 2014, mainly due to increases in salaries and employee benefits as a result of an increase in average revenues and an increase in employee numbers in 2015.

Other Income. Other income decreased by 59.7% to Rp240.0 billion (US$18.2 million) in 2015 from Rp595.4 billion in 2014, mainly due to no-gain on foreign exchange in 2015 compare to Rp396.7 billion in 2014.

- *Gain on foreign exchange — net*. We recorded a loss on foreign exchange — net in 2015 compared to a gain on foreign exchange — net of Rp396.7 billion in 2014.

- *Dividend income*. Dividend income increased to Rp213.5 billion (US$16.2 million) in 2015 from Rp161.5 billion in 2014, as a result of an increase in distributions received on our LMIRT units due to an increase in the number of units held by us and an increase in the distribution amount per unit in 2015.

- *Penalty Income*. Penalty income was Rp26.2 billion (US$2.0 million) in 2015 compared to Rp17.2 billion in 2014, mainly due to cancelations and late payments by customers of the Kemang Village Apartment.

Other Expenses. Other expenses increased by 326.4% to Rp270.6 billion (US$20.5 million) in 2015 from Rp63.5 billion in 2014, primarily due to increase in loss on foreign exchange — net and other expenses.

- *Loss on Foreign Exchange — Net*. Loss on foreign exchange — net was Rp154.8 billion (US$11.7 million) in 2015, compared to nil in 2014, mainly due to depreciation of the Rupiah against the US dollar and the associated costs relating to our US dollar denominated notes, which was partially offset by foreign exchange gains on our hedging arrangements and foreign currency denominated deposits and other assets.

- *Amortization expense*. Amortization expenses increased to Rp74.1 billion (US$5.6 million) in 2015 from Rp63.5 billion in 2014, primarily as a result of the recognition of full year of issuance costs associated with our senior notes issued in April 2014.

- *Others — Net*. Others — net was Rp41.7 billion (US$3.2 million) in 2015, compared to nil in 2014 the payment of penalties at the St Moritz apartment in 2015 due to a delivery delay.

Profit from Operations. Profit from operations decreased to Rp1,490.3 billion (US$113.1 million) in 2015 from Rp3,437.8 billion in 2014 as a result of the above.

Financial Income (Charges) — Net. Financial charges — net increased by 45% to Rp177.0 billion (US$13.4 million) in 2015 from Rp122.1 billion in 2014, primarily due to an increase in our hedging costs.

Share in the Loss of Associates. Share in the loss of associates decreased to Rp13.1 billion (US$1.0 million) in 2015 compared to share in the profit of associates of Rp8.2 billion in 2014.

Profit Before Tax. Profit before tax decreased by 61.3% to Rp1,284.8 billion (US$97.5 million) in 2015 from Rp3,324.0 billion in 2014.

Tax Expenses. Tax expenses increased by 41.7% to Rp260.7 billion (US$19.8 million) in 2015 from Rp184.0 billion in 2014, due to changes in the following items:

- *Current*. Current tax expenses increased by 26.4% to Rp237.1 billion (US$18.0 million) in 2015 from Rp187.6 billion in 2014, which was in line with the increase in our ordinary revenues.

- *Deferred*. Deferred tax expense was Rp23.6 billion (US$1.8 million) in 2015 compared to a deferred tax benefit of Rp3.6 billion in 2014.

Profit. Profit decreased by 67.4% to Rp1,024.1 billion (US$77.7 million) in 2015 from Rp3,140.0 billion in 2014.

Comprehensive Expense. Other comprehensive expense was Rp407.2 billion (US$30.9 million) in 2015 compared to total comprehensive expense of Rp151.3 billion in 2014, primarily as a result of loss from translation of financial statements to Rp244.6 billion (US$18.6 million) in 2015 from gain Rp117.5 billion in 2014.

Total Comprehensive Income. As a result of the foregoing factors, our total comprehensive income decreased by 79.4% to Rp616.9 billion (US$46.8 million) in 2015 from Rp2,988.6 billion in 2014.

Results of Operations for the year ended December 31, 2014 as compared to the year ended December 31, 2013

Revenues. Our revenues increased by 75.0% to Rp11,665.0 billion in 2014 from Rp6,666.2 billion in 2013. Of this amount, in 2014, development revenues accounted for 62.5% of total revenues, while our recurring revenues accounted for 37.5% of total revenues. In 2013, development revenues accounted for 48.1% of total revenues, while our recurring revenues accounted for 51.9% of total revenues. The increase in our revenues was primarily driven by the increase of our urban development income.

- *Development Revenues*. Development revenues increased by 127.1% to Rp7,287.1 billion in 2014 from Rp3,208.3 billion in 2013. The increase in development revenues in 2014 was mainly due to the increase in urban development revenue.

  - *Urban Development*. Urban development revenue increased by 199.7% to Rp5,644.9 billion in 2014 from Rp1,883.7 billion in 2013. This increase was primarily due to the sale of Lippo Mall Kemang to LMIRT in 2014 for an amount of Rp3,371.8 billion.

  - *Large Scale Integrated Development*. Large scale integrated development revenue increased by 18.9% to Rp1,335.4 billion in 2014 from Rp1,122.8 billion in 2013. This increase was primarily due to increased recognition of revenue from sales of properties in Kemang Village and The St. Moritz.

- *Retail Malls*. Revenue from our retail malls business unit increased by 52.0% to Rp306.8 billion in 2014 from Rp201.8 billion in 2013. The increase was primarily driven by the recognition of rental revenues from Lippo Mall Kuta, which opened in November 2013, and the recognition of rental revenues from the opening of Lippo Mall Puri in June 2014.

- *Recurring Revenues*. Recurring revenues increased by 26.3% to Rp4,367.9 billion in 2014 from Rp3,457.9 billion in 2013. In 2014, the largest portion of recurring revenues was generated by our healthcare business unit, which contributed 76.5% of total recurring revenues and 28.6% of our total revenues.

  - *Healthcare*. Healthcare revenue increased by 33.4% to Rp3,340.8 billion in 2014 from Rp2,503.6 billion in 2013. The increase was primarily driven an increase in revenue from our existing 16 hospitals, in addition to the acquisition of four new hospitals in 2014. The number of hospitals that we operated increased to 20 as of December 31, 2014 from 16 as of December 31, 2013, increasing the number of operational beds to 2,397 in 2014 from 1,985 in 2013, while our average revenue per patient per day remained stable at Rp17.9 million per patient for inpatient services, and average revenue per visit increased to Rp1.0 million in 2014 from Rp960 thousand in 2013.

  - *Hospitality and Infrastructure*. Hospitality and infrastructure revenues increased by 9.7% to Rp721.1 billion in 2014 from Rp657.5 billion in 2013, reflecting an increase in average room rates to Rp626,176 in 2015 from Rp622,209 in 2014.

  - *Property and Portfolio Management*. Property and portfolio management revenues increased by 3.1% to Rp306.0 billion in 2014 from Rp296.8 billion in 2013. The increase was primarily driven by the increase in revenue from LMI as the number of malls that we managed increased to 40 in 2014 from 34 in 2013.

Cost of Sales. Our cost of sales increased by 72.9% to Rp6,257.7 billion in 2014 from Rp3,619.6 billion in 2013. Of this amount, in 2014 costs relating to urban development, large scale integrated development and retail malls accounted for 56.0% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 44.0% of total cost of sales. In 2013, costs relating to urban development, large scale integrated development and retail malls accounted for 38.0% of total cost of sales, while costs relating to our healthcare, hospitality and infrastructure, and property and portfolio management business units accounted for 62.0% of total cost of sales.

- *Urban Development*. Cost of sales for our urban development business unit increased by 244.2% to Rp2,875.9 billion in 2014 from Rp835.6 billion in 2013. The proportion of cost of sales for our urban development business increased to 46.0% of total cost of sales in 2014 from 23.1% of total cost of sales in 2013. The increase in cost of sales was primarily due to sale of Lippo Mall Kemang to LMIRT in 2014, compared to the absence of a similar asset disposal in 2013.

- *Large Scale Integrated Development*. Cost of sales for our large scale integrated development business unit increased by 16.5% to Rp623.8 billion in 2014 from Rp535.2 billion in 2013, in line with the increase in revenues from this business unit in 2014.

- *Retail Malls*. Cost of sales for our retail malls business unit increased by 134.6% to Rp6.6 billion in 2014 from Rp2.8 billion in 2013, primarily due to increased costs associated with Lippo Mall Puri which opened in June 2014, which has a higher costs of sales compared to revenue than our other malls.

- *Healthcare*. Cost of sales for our healthcare business unit increased by 29.5% to Rp2,388.7 billion in 2014 from Rp1,844.9 billion in 2013, which was in line with the increase in revenues from this business unit in 2014 and represents additional costs associated with the opening of four new hospitals in 2014.

- *Hospitality and Infrastructure*. Cost of sales for our hospitality and infrastructure business unit increased by 23.8% to Rp348.3 billion in 2014 from Rp281.4 billion in 2013, primarily due to an increase in costs associated with the management of Kemang Village and The St. Moritz.

- *Property and Portfolio Management*. Cost of sales for our property and portfolio management decreased by 88.0% to Rp14.4 billion in 2014 from Rp119.7 billion in 2013, primarily due to the reclassification of certain cost of sales components to operating expenses in 2014.

Gross Profit. Our gross profit increased by 74.0% to Rp5,024.9 billion in 2014 from Rp2,878.6 billion in 2013, as a result of the increase in revenue in 2014, partially offset by the increase in cost of sales.

Operating Expenses. Operating expenses increased by 39.7% to Rp2,119.2 billion in 2014 from Rp1,516.8 billion in 2013, mainly due to the increase in general and administrative expenses to Rp1,554.4 billion in 2014 from Rp1,123.4 billion in 2013.

- *Selling Expenses*. Selling expenses increased by 43.5% to Rp564.7 billion in 2014 from Rp393.5 billion in 2013, mainly due to an increase in marketing and advertising expenses to Rp291.4 billion in 2014 from Rp200.6 billion in 2013 and salaries and employee benefits to Rp120.7 billion in 2014 from Rp54.8 billion in 2013 as a result of an increase in average wages.

- *General and Administrative Expenses*. General and administrative expenses increased by 38.4% to Rp1,554.4 billion in 2014 from Rp1,123.4 billion in 2013, mainly due to increases in salaries and employee benefits as a result of an increase in average revenues and an increase in employee numbers in 2014.

Other Income. Other income increased by 1.8% to Rp595.4 billion in 2014 from Rp585.1 billion in 2013, mainly due to an increase in gain on foreign exchange — net, which was partly offset by decreases in the fair value of derivative instruments and gain on sale of fixed asset.

- *Gain on foreign exchange — net.* We recorded a gain on foreign exchange — net of Rp182.2 billion in 2014, primarily due to foreign exchange gains relating to our hedging arrangements.

- *Dividend income*. Dividend income decreased to Rp161.5 billion in 2014 from Rp195.0 billion in 2013, as a result of a decrease in the distribution amount per unit in First REIT and LMIRT in 2014.

- *Gain on sale of fixed asset*. Gain on sale of fixed asset decreased to Rp0.5 billion in 2014 from Rp55.5 billion in 2013, due to the sale of Siloam Hospitals Bali in 2013, with there being no comparative sale in 2014.

Other Expenses. Other expenses decreased by 58.9% to Rp63.5 billion in 2014 from Rp154.5 billion in 2013, primarily due to decreases in loss on foreign exchange — net and other expenses.

- *Loss on Foreign Exchange — Net*. Loss on foreign exchange — net was nil in 2014, compared to Rp33.0 billion in 2013 due to the appreciation of the Rupiah against the U.S. dollar in 2014 compared to 2013.

- *Others — Net*. Others — net was nil in 2014, compared to Rp71.0 billion in 2013.

Profit from Operations. Profit from operations increased to Rp3,437.8 billion in 2014 from Rp1,792.4 billion in 2013 as a result of the above.

Financial Income (Charges) — Net. Financial charges — net increased by 356.9% to Rp122.1 billion in 2014 from Rp26.7 billion in 2013, primarily due to an increase in financial charges in 2014. Financial charges increased to Rp149.5 billion in 2014 from Rp113.5 billion in 2013, mainly as a result of an increase in hedging costs relating to our bonds, due to the issuance of additional bonds in April 2014. Interest expense increased to Rp37.5 billion in 2014 from Rp6.9 billion in 2013, primarily consists of loan interest expense. Financial income decreased to Rp64.9 billion in 2014 from Rp93.7 billion in 2013, primarily due to a decrease in interest income from our time deposits resulting from a decrease in the nominal value of such deposits.

Share in the Profit of Associates. Share in the profit of associates decreased to Rp8.2 billion in 2014 from Rp8.5 billion in 2013.

Profit Before Tax. Profit before tax increased by 87.4% to Rp3,437.8 billion in 2014 from Rp1,774.2 billion in 2013 for the reasons explained above.

Tax Expenses. Tax expenses increased by 13.4% to a tax gain of Rp184.0 billion in 2014 from a gain Rp162.2 billion in 2013, due to changes in the following items:

- *Current*. Current tax expenses increased by 35.7% to Rp187.6 billion in 2014 from Rp138.2 billion in 2013, which was in line with the increase in our revenues for the period.

- *Deferred*. Deferred tax benefits was Rp3.6 billion in 2014 compared to deferred tax expense of Rp23.9 billion in 2013.

Profit. Profit increased by 94.8% to Rp3,140.0 billion in 2014 from Rp1,612.0 billion in 2013.

Other Comprehensive Income. Other comprehensive expense was Rp151.3 billion in 2014 compared to total comprehensive income of Rp83.7 billion in 2013, primarily as a result of decrease in gain from translation of financial statements to Rp55.0 billion in 2014 from Rp551.9 billion in 2013.

Total Comprehensive Income. As a result of the foregoing factors, our total comprehensive income increased by 79.3% to Rp2,988.6 billion in 2014 from Rp1,321.6 billion in 2013.

Liquidity and Capital Resources

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate financing and to convert into cash those assets that are no longer required to meet existing strategic, financial objectives and the ability to expand the capital base of the REITs in which we have invested.

We have historically financed our capital requirements for our development business primarily through funds generated from our operations and financing from banks and other financial institutions, while our recurring revenue businesses are generally financed out of their internally generated cash flows. Our primary capital requirements have been to finance purchases of land and construction of properties and to fund general working capital requirements. We believe that we will have sufficient capital resources from our operations, the net proceeds of this offering and other financings from banks, financial institutions and other lenders to meet our capital requirements for at least the next 12 months. Subject to restrictions in our existing indebtedness instruments, in connection with the operation of our business, we may incur further indebtedness, which may result in an increase in our interest charges.

We strive to maintain a minimum balance of cash and cash equivalent sufficient to cover operating expenses for a period of three to six months. As of June 30, 2016, we had a balance of cash and cash equivalent of approximately Rp1,773.3 billion (US$134.5 million). We also maintain working capital lines with several banks to maintain sufficient liquidity for our operations. As of June 30, 2016, we had available credit lines of Rp509.6 billion (US$38.7 million). For a description of our working capital facilities, see "Description of Indebtedness".

As a guideline, we intend to pay dividends of up to 10% with respect to net profits of up to Rp300 billion and 15-30% for net profits over Rp300 billion.

Liquidity

The following table sets forth information regarding our cash flows for the periods indicated and our cash and cash equivalent at the end of each period:

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
CASH FLOW DATA							
Net Cash Flows Provided by (Used in) Operating Activities	(2,078.8)	786.5	(2,711.0)	(205.7)	1,755.3	(431.0)	(32.7)
Net Cash Flows Provided by (Used in) Investing Activities	(580.3)	(350.1)	204.8	15.5	242.2	(222.3)	(16.9)
Net Cash Flows Provided by (Used in) Financial Activities	1,142.0	1,320.1	753.5	57.2	(49.1)	594.5	45.1
Net Increase (Decrease) in Cash and Cash Equivalent	(1,517.2)	1,756.5	(1,752.4)	(132.9)	(1,562.2)	(58.8)	(4.5)
Effect of Foreign Exchanges on Cash and Cash Equivalent at the End of the Period	34.9	(28.9)	9.1	0.7	24.0	(7.2)	(0.5)
Cash and Cash Equivalent at the Beginning of the Period	3,337.4	1,855.1	3,582.6	271.8	3,582.6	1,839.4	139.6
Cash and Cash Equivalent at the End of the Period	1,855.1	3,582.6	1,839.1	139.5	2,044.5	1,773.4	134.5

Net cash used in operating activities amounted to Rp431.0 billion (US$32.7 million) in the six months ended June 30, 2016 compared to net cash provided by operating activities of Rp1,755.3 billion in the six months ended June 30, 2015, primarily due to the decrease in payments to suppliers relating to construction costs and operating expenses. Net cash flows used in operating activities amounted to Rp2,710.7 billion (US$205.7 million) in 2015 compared to net cash flows provided by operating activities amounted to Rp786.5 billion in 2014 and net cash flows used in operating activities of Rp2,078.8 billion in 2013. Net cash flows used in operating activities in 2015 was primarily due to payment of construction costs and operating expenses and absence of asset disposal. Net cash flows provided by operating activities in 2014 was primarily due to the sale of Kemang Village Mall to LMIRT. Net cash flows used in operating activities in 2013 was primarily due to an increase in payments to suppliers, which was mainly as a result of an increase in inventory and land development and payments of construction costs relating to the retail mall and apartments at The St. Moritz, and the mall at Kemang Village, as well as an increase in payments to employees.

Net cash flow used in investing activities amounted to Rp222.3 billion (US$16.9 million) in the six months ended June 30, 2016, compared to net cash flows provided by investing activities of Rp242.2 billion in the six months ended June 30, 2015. This shift in net cash flow provided by investing activities in the six months ended June 30, 2015 to net cash flow used in by investing activities in the six months ended June 30, 2016 was primarily due to the disposal of shares in a subsidiary in the six months ended June 30, 2015. Net cash flows provided by investing activities amounted to Rp204.8 billion (US$15.5 million) in 2015, an increase from net cash flows used in investing activities of Rp350.1 billion in 2014 and Rp580.3 billion in 2013. The increase in net cash flows provided by investing activities in 2015 was primarily due to the disposal of shares in a subsidiary. The decrease in net cash flows used in investing activities in 2014 was primarily due to decrease in property and equipment — acquisition. Net cash flows used in investing activities in 2013 was due to acquisition of property and equipment and placement of investment in associates.

Net cash flows provided by financing activities was Rp594.5 billion (US$45.1 million) in the six months ended June 30, 2016, compared to net cash flows used by financing activities in the six months ended June 30, 2015 of Rp49.1 billion. The shift to net cash flow used by financing activities in the six months ended June 30, 2015 to net cash flow provided by financing activities in the six months ended June 30, 2016 was primarily due to an increase in amounts received under our bank loans which was partially offset by an increase in repayments of bank loans. Net cash flows provided by financing activities amounted to Rp753.5 billion (US$57.2 million) in 2015, Rp1,320.1 billion in 2014 and Rp1,142.0 billion in 2013. In 2015, net cash flows provided by financing activities was primarily from bank loans. In 2014, net cash flows provided by financing activities was primarily from our bonds issuance in April 2014 compared to nil in 2015. In 2013, net cash flows provided by financing activities was primarily from proceeds from our bonds issuance in January 2013 and from the initial public offering of PT Siloam International Hospitals Tbk in September 2013.

Contractual Obligations and Commitments

The following table sets forth our contractual obligations and commitments to make future payments under our total debt and finance lease obligations as of June 30, 2016:

	Maturity Period					
	Total		Less than 1 year	1-3 years	3-5 years	After 5 years
	(Rp billions)	(US$ millions)	(Rp billions)			
Total debt	12,573.1	954.0	1,645.5	3,472.3	5,373.9	2,081.4
Total contractual obligations	12,573.1	954.0	1,645.5	3,472.3	5,373.9	2,081.4

Capital Expenditure

Our capital expenditures consist of expenditures on property, plant and equipment. The following table sets forth information regarding our total capital expenditure, by business unit, for the periods indicated.

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Urban Development	741.4	143.1	33.3	2.5	22.5	109.9	8.3
Large Scale Integrated Development	124.1	57.1	89.1	6.8	44.6	31.6	2.4
Retail Malls	25.7	60.8	47.9	3.6	7.1	1.8	0.1
Healthcare	385.6	331.3	274.9	20.9	160.0	160.6	12.2
Hospitality and Infrastructure	1.0	35.3	30.8	2.3	16.3	8.4	0.6
Property and Portfolio Management	33.5	20.4	20.5	1.6	9.3	3.7	0.3
Total Capital Expenditures	1,311.3	646.5	496.6	37.7	259.7	340.1	24.0

For a discussion of the expansion of our Healthcare business, see "Business — Healthcare".

Quantitative and Qualitative Disclosures about Market Risks

Our business exposes us to a variety of financial risks, including changes to foreign exchange rates, inflation and fluctuations in interest rates. The following discussion summarizes our exposure to foreign exchange rates, inflation and interest rate movements and our policies to address these risks. The following discussion contains forward-looking statements that are subject to risks, uncertainties and assumptions about us. These statements are based upon current expectations and projections about future events. There are important factors that could cause our actual results and performance to differ materially from such forward-looking statements, including those risks discussed under "Risk Factors".

Foreign Currency Exchange Risk

Our foreign currency exposure gives rise to market risk associated with exchange rate movements against the Rupiah, which is our functional and reporting currency. We record transactions involving foreign currencies at the rates of exchange prevailing at the transaction date. At the balance sheet date, we adjust assets and liabilities denominated in foreign currencies to reflect the last prevailing rates at the balance sheet date, and resulting gains or losses are credited or charged to current operations.

We require U.S. dollars to service our foreign currency denominated indebtedness, which as of June 30, 2016, consisted of our U.S. dollar notes due 2019, U.S. dollar notes due 2020 and U.S. dollar notes due 2022. We hedge foreign currency debt with forward contracts.

We also maintain a portion of our cash and cash equivalents in U.S. dollars. We do not hedge these positions.

Inflation Risk

According to the World Bank, Indonesia's annual inflation rate, as measured by changes in Indonesia's consumer price index, was 6.4%, 6.4% and 6.4% in 2013, 2014 and 2015, respectively. Inflation affects our results of operations primarily by increasing costs of sales, which we generally seek to address by raising prices. However, in competitive markets like Jakarta, our ability to pass on cost increases is constrained. Significant inflation can also dampen overall demand for our products.

Interest Rate Risk

Our foreign currency indebtedness carries fixed interest rates. Our Rupiah denominated long-term loans from Indonesian banks carry interest rates that ranged from 11.0% to 12.5% in the six months ended June 30, 2016.

Off-Balance Sheet Items

As of June 30, 2016, we had no material off-balance sheet liabilities.

BUSINESS

OVERVIEW

We are one of the leading diversified property companies in Indonesia in terms of our market capitalization on the IDX, assets, revenue and net profit. We develop residential, commercial and retail properties, and light industrial areas throughout Indonesia, with the majority of our current developments based in and around five major cities in Indonesia: Jakarta, Medan, Palembang, Makassar and Manado. In addition, as of June 30, 2016, we operated 23 hospitals. As of June 30, 2016, we also owned three and leased two Aryaduta-branded hotels, had three hotels under development, managed four hotel properties owned by third parties under the Aryaduta brand, provided a broad range of infrastructure services to the residents of our developments, and provided other property management and REIT management services. In the six months ended June 30, 2016, our total revenues were Rp5,108.9 billion (US$387.6 million) and our EBITDA was Rp1,199.0 billion (US$91.0 million). In 2015, our total revenues were Rp8,910.2 billion (US$676.0 million) and our EBITDA was Rp2,222.7 billion (US$168.6 million). Our market capitalization as of October 17, 2016 was Rp21,347 billion (US$1,620 million) based on the closing price per ordinary share on the IDX of Rp925 per share as of October 17, 2016.

For the six months ended June 30, 2016, 62.1% of our revenues were derived from recurring income (including revenues from the operation of our healthcare, hospitality and infrastructure business units and fees earned by our property and portfolio management business unit), and 37.9% of our revenues were derived from development income (including the development and sale of residential, commercial and retail and light industrial properties).

Our first project, which commenced construction in January 1993, was the urban development "Lippo Karawaci", in the regency of Tangerang, approximately 30 kilometers west of, and accessible by a toll road from, central Jakarta. Renamed "Lippo Village", the development was designed as a self-contained "Edge City" beyond the boundaries of Jakarta. Lippo Village has since evolved into a modern and integrated city with extensive infrastructure facilities, offering a potable water and sewage reticulation and treatment system (which is unique in Indonesia), firefighting, security, road and drainage construction and maintenance and traffic management services, the provision of electricity, telephone and broadband internet and all aspects of home care and building management. As of June 30, 2016, Lippo Village had a population of approximately 59,405 residents and provided approximately 48,664 jobs.

Through our two significant publicly-listed subsidiaries, PT Lippo Cikarang Tbk. and GMTD, of which we own 54.4% and 54.0%, respectively, we have developed and currently operate urban developments at "Lippo Cikarang" in Bekasi and "Tanjung Bunga" in Makassar, respectively. These subsidiaries were listed on the IDX on July 24, 1997 and December 11, 2000, respectively. Lippo Cikarang was launched in October 1993 and Tanjung Bunga in June 1997.

Our operations are organized into six business units:

- *Urban Development*, which includes the development and sale of residential, commercial, light industrial properties and memorial parks, all of which are on landed properties. We are internationally recognized and have won awards for our pioneering development of "Edge Cities" in Indonesia. "Edge Cities" are designed and constructed with all necessary infrastructure to establish self-contained urban communities beyond the boundaries of larger cities. As of June 30, 2016, our three urban developments, Lippo Village, Lippo Cikarang and Tanjung Bunga, had a combined population of approximately 124,468 residents and 36,188 houses and employed more than 545,909 workers. For each of our urban developments, we identified large tracts of undeveloped land which were in close proximity to larger cities, offering significant appreciation potential at a relatively inexpensive cost. Urban development accounted for approximately 22.8% of our total revenues and had EBITDA of Rp309.7 billion (US$23.5 million) for the six months ended June 30, 2016, a decrease from Rp454.5 billion for the six months ended June 30, 2015.

- *Large Scale Integrated Development*, which includes the large scale development and sale of residential properties, office space and retail, hospitality, leisure, education and healthcare facilities, typically on a high-rise basis, together in one location. We are currently developing 10 large scale integrated developments containing residential properties, office space and entertainment, education and healthcare facilities within the same location — Kemang Village in South Jakarta, The St. Moritz in West Jakarta, Embarcadero Park in Tangerang, The St. Moritz Makassar in Makassar, The Holland Village in Jakarta in Central Jakarta, The Holland Village in Manado, Orange County, Millennium Village and Nine Residences

@ Kemang Utara in South Jakarta and Lippo Thamrin in Central Jakarta. We have already developed the City of Tomorrow, our first large scale integrated development in Surabaya. Large scale integrated development accounted for approximately 11.9% of our total revenues and had EBITDA of Rp228.8 billion (US$17.4 million) for the six months ended June 30, 2016, a decrease from Rp367.7 billion for the six months ended June 30, 2015.

- *Retail Malls*, which includes the development and ownership of malls. As of June 30, 2016, we had completed nine leased malls and eight strata-titled malls with a total gross floor area of 1,307,246 square meters. In May 2016, we opened Lippo Plaza Jambi in Jambi with a total gross floor area of 21,178 square meters. In June 2015 we opened Lippo Plaza Jogja in Yogyakarta with a total gross floor area of 63,865 square meters and in June 2014 we opened Lippo Mall Puri, West Jakarta 389,551 square meters. Retail malls accounted for approximately 3.2% of our total revenues and had EBITDA of Rp109.6 billion (US$8.3 million) for the six months ended June 30, 2016, an increase from Rp55.9 billion for the six months ended June 30, 2015.

- *Healthcare*, which includes the operation of hospitals and medical facilities. As of June 30, 2016, we operated 23 hospitals. Eight of these hospitals are located in Greater Jakarta and the other 15 are located in Surabaya, Balikpapan, Purwakarta, Jambi, Manado, Makassar, Palembang, Bali, Medan, Kupang, Labuan Bajo, Buton dan Samarinda. As of June 30, 2016, 12 of the hospitals are owned by First REIT and leased to us. In 2014, we opened two new hospitals, which we operate, in Medan and Kupang, and acquired one hospital in South Jakarta. In the first half of 2016, we opened two new hospitals, located in Buton and Samarinda, and we expect to open an additional three hospitals by the end of 2016. Our medical facilities offer a comprehensive range of specialist medical services, including surgical procedures, as well as laboratory services, radiology and imaging facilities, general healthcare services and diagnostic and emergency services. As of June 30, 2016, our hospitals had a combined capacity of 2,769 operational beds. In September 2013, our wholly-owned subsidiary, PT Siloam International Hospitals Tbk, which operates our healthcare business unit, completed its initial public offering on the IDX. Since the IPO, we have sold shares in PT Siloam International Hospitals Tbk and may continue to do so in the future. Further, PT Siloam International Hospitals Tbk may also, from time to time, conduct fund raising or obtain financing for the expansion of its group business, including through corporate action(s) which will be conducted in accordance with prevailing laws and regulations. In any case, upon such sale, fund raising and/or financing, we will remain as the majority controlling shareholder of PT Siloam International Hospitals Tbk. Healthcare accounted for approximately 50.0% of our total revenues and had EBITDA of Rp335.0 billion (US$25.4 million) for the six months ended June 30, 2016, an increase from Rp301.1 billion for the six months ended June 30, 2015.

- *Hospitality and Infrastructure*, which includes the ownership, lease and operation of hotel properties, restaurants and recreational facilities and other related infrastructure in multiple locations throughout Indonesia. In addition, we provide town management services such as security, water and sewage treatment, garbage collection, landscaping, roads and drainage maintenance and public transportation services to the residents of our urban developments. Our hotel operations are offered under the "Aryaduta" brand, one of Indonesia's largest five-star hotel groups by number of rooms. We currently own three and lease two Aryaduta-branded hotels, in addition to another three hotels under development. Hospitality and infrastructure accounted for approximately 8.4% of our total revenues and had EBITDA of Rp145.6 billion (US$11.0 million) for the six months ended June 30, 2016, an increase from Rp124.0 billion for the six months ended June 30, 2015.

- *Property and Portfolio Management*, which includes REIT management and property management services for malls and hotel operators. We currently manage First REIT (through our wholly owned subsidiary, Bowsprit Capital Corp. Ltd) and LMIRT, and receive fee-based income for the management of these REITs. We also manage four Aryaduta-branded hotels owned by third parties. We originally managed LMIRT through a joint venture with Mapletree. In 2011, we acquired Mapletree's 40% stake in the management company, providing us with 100% ownership in the management company of LMIRT. In addition, we act as property manager for 44 malls with 18,959 shops, with a total gross leasable area of nearly 2.7 million square meters and net leasable area of 1.4 million square meters. Property and portfolio management accounted for approximately 3.7% of our total revenues and had EBITDA of Rp70.3 billion (US$5.3 million) for the six months ended June 30, 2016, an increase from Rp58.1 billion for the six months ended June 30, 2015.

COMPETITIVE STRENGTHS

We believe that our principal competitive strengths include:

Leadership among broad based property companies in Indonesia

We are one of the leading broad based property companies in Indonesia in terms of our market capitalization on the IDX, assets, revenue and net profit. Our operations are organized into six broad business units, with operations located in multiple locations in Indonesia, providing us with diversity and operating presence in several rapidly developing areas, in particular Jakarta. Our efforts and contributions to the real estate sector in Indonesia have been recognized by the industry through several awards, including the Real Estate Award by Euromoney — "Best Developer in Indonesia" for 2012, 2011, 2009, 2008, 2007 and 2005. We were also awarded the "Best Developer in Indonesia" award by the South East Asia Property Awards for 2013, 2012 and 2011. In 2015, we were also named "Indonesia Excellence in Growth — Property Development" and "Property Developer of the Year" and were "Highly Commended" at the Asia Pacific Property Awards from International Property Media.

We believe that the size and diversity of our business units and our track record of success provide us with a stable platform to grow our businesses and allow us to pursue large scale, high profile development opportunities. We also believe that it enables us to benefit from economies of scale in negotiating with key material suppliers for favorable cost components and volume discounts. We believe the diversity of our products also provides us with significant channels for cross-selling across our business units. It also helps us to successfully mitigate the adverse impact of the cyclical nature of our business units on our profitability and cash flows. We have used our brand name to bolster our marketing initiatives across our business units.

Large and high-quality landbank, particularly around Jakarta

We believe that our landbank of approximately 1,549 hectares as of June 30, 2016 is among the largest held by Indonesian property companies and serves as a platform for the expansion of our existing and future development projects. We anticipate that our landbank will be sufficient for our planned development projects for the next ten years. We acquired portions of our landbank in individual parcels over a period of time and continue to develop our landbank assets when market and pricing conditions are favorable, which allows us to competitively price our development projects and pursue our targeted profit margins. Our policy is to maintain a landbank sufficient for ten years of future development, subject to price, availability and quality. In addition, our operations are located within some of the most developed regions in Indonesia. Our significant presence in the property market in Greater Jakarta, one of the fastest growing regions in Indonesia, reflects our belief that this area offers high consumer demand which is currently underserved.

High proportion of stable recurring revenues

We believe that the recurring revenues generated by several of our business units, particularly healthcare, provide us with an advantage over our competitors who are not as diversified and thus subject to greater fluctuation in revenue from the cyclical nature of the property market. Our total recurring revenue for the years ended December 31, 2015, 2014 and 2013 were 59.1%, 37.5% and 51.9%, respectively, of our total revenues. Our total recurring revenue for the six months ended June 30, 2016 was 62.1% of our total revenues. We plan to continue with our strategy to grow recurring revenue, both on an absolute basis and as a percentage of total revenue, as we believe that the significant recurring revenue component of our total revenues assists us to mitigate the cyclical nature of our development business units and enables us to be resilient during economic downturns. In particular, we believe our healthcare business unit differentiates us from our competitors by providing a stable source of income. In the past, we have maintained our recurring revenues as a significant component of total revenues, and are planning in the future to expand our recurring income business units by developing more hospitals and retail and commercial properties on a leasehold basis, thereby strengthening our recurring income streams.

Track record of recycling capital

In December 2006, we sponsored the establishment of First REIT, the first real estate investment trust on the Singapore Stock Exchange to own Indonesian assets as well as the first healthcare real estate investment trust listed on the Singapore Stock Exchange. In 2007, we also sponsored the establishment of LMIRT, a REIT which holds retail assets in Indonesia that is also listed on the Singapore Stock Exchange. In November 2012, we completed the sale and lease-back of two of our hospitals, Siloam Hospitals Makassar and Siloam Hospitals Manado, and one of our hotels, Hotel Aryaduta Manado for a total of approximately S$142.9 million to First REIT. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for an aggregate consideration of Rp731 billion and Rp148 billion, respectively. In May 2013, we completed a sale and leaseback of Siloam Hospitals Denpasar and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million. In December 2014, we completed a sale of Lippo Mall Kemang for a total consideration of S$362 million. Further, we are finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and we are in advanced discussions with LMIRT and First REIT with respect to the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja. We are the first Indonesian developer to utilize such vehicles, which allows us to unlock value from stabilized assets, recycle capital, earn management fees and deploy proceeds from selling assets to the REITs to invest in new opportunities.

Strong financial position

We actively manage our working capital requirements by pre-selling our developments, particularly in our urban development and large scale integrated development business units, which enables us to fund our construction costs without significant third-party financing. As of June 30, 2016, we had pre-sold over 99% of Phase I and Phase II of our Kemang Village development and 95% of Phase I and Phase II of our The St. Moritz development, respectively. In addition, as of June 30, 2016, we had pre-sold 86% of our developments launched in 2014 and 2015, including 100% of our Irvine + Westwood development; 100% of our Pasadena Suites Burbank, Orange County development; 84% of our Holland Village, Manado development and 67% of our Monaco Bay, Manado development. We also recycle capital through the selling of assets to the REITs to allow us to invest in new opportunities.

Experienced management team

We have a highly experienced management team with deep industry knowledge across our business units. The 16 members of our board of directors and senior management team have an average of approximately 25 years of experience in the property industry. Together they form a talented and experienced leadership team. We believe that our management team follows a prudent approach in order to implement a balanced growth strategy. Most of our senior management team have worked together for more than five years.

STRATEGY

Through our six diverse business units, we endeavor to meet the needs of Indonesia's growing segment of middle and upper-middle class consumers in housing, healthcare, recreation and entertainment. By drawing on our competitive strengths, we believe we have developed clear and focused strategies for our urban, commercial, retail, and light industrial developments as well as our healthcare, hospitality and infrastructure and property management activities to achieve consistent and sustainable growth and to expand our recurring revenue base through all of our business units. We also strive to optimize the value of our assets through active asset management and capital recycling. We seek to manage our balance sheet prudently by only expanding in growth markets and diversifying our business where appropriate.

Our strategy includes the following:

Grow our business units organically

We strive to grow each of our business units organically and to foster marketing synergies among these segments. We believe we are well positioned to benefit from the increasing demand of the young and growing middle-upper income population in the housing, healthcare and retail sectors and GDP growth in Indonesia.

In particular, for each of our business units, we are focused on the following strategies:

- *Urban Development* — In addition to continuing to expand our existing urban developments, we intend to focus on acquiring small land parcels in strategic locations to develop smaller, targeted residential areas and developing apartments and condominiums in urban areas targeted at the growing and increasingly wealthy middle to upper-middle class in Indonesia. Our policy has been to acquire undeveloped land in Indonesia with the potential for economic and population growth. As of June 30, 2016, approximately 78% (by area) of our landbank is located in Greater Jakarta, one of Indonesia's fastest growing regions. We also plan to develop commercial and retail developments (including office buildings) in strategic locations within Indonesia, which we believe exhibit strong retail growth potential and are underserved by existing developments as well as high-rise strata title mixed use projects, including residential apartments, retail malls and office buildings, which we believe will improve our land utilization rate without having to acquire significant additional landbank in the near future. From time to time, we consider selling land as land prices rise to exploit favorable market conditions, such as our 2011 increased sales of industrial land at Lippo Cikarang.

- *Large Scale Integrated Developments* — We are focused on the completion of the Kemang Village and The St. Moritz developments. Further, we will seek to exploit our product diversity by incorporating a number of products from our other business units into our large scale integrated developments.

- *Retail Malls* — We intend to strengthen our retail malls segment through building and operating more malls. Given the strong consumption-driven growth Indonesia has recently experienced, we are looking to capitalize on the growing retail market through our expansion, and hope to increase our market share in the retail mall space by broadening our mall portfolio nationwide. Further, we aim to improve profitability from our existing leased malls by improving our tenant mix and rental margins. We will also focus on completing projects under development and intend to sell our retail mall developments to LMIRT once the assets are stabilized.

- *Healthcare* — We plan to expand our healthcare network by opening 14 additional hospitals in strategic locations within Indonesia in 2016 and 2017. We currently have 25 hospitals in development or under construction, three of which are expected to be completed in 2016, 11 of which are expected to be completed in 2017 and the remaining 11 hospitals are expected to be completed between 2018 and 2021. The supply of hospital services in Indonesia is currently unable to meet the demand of the country's population of approximately 250 million people. We aim to further penetrate this underserved market and, through our expansion, increase the availability of quality healthcare to a significant portion of the Indonesian population. We aim to broaden our target market to include the growing middle and lower-middle classes. We intend to continue providing quality healthcare services at international standards with advanced equipment and telemedicine and strong doctor relationships. We intend to intensify our marketing efforts to promote our "Siloam Hospitals" brand name. In addition to providing greater services to the traditionally underserved Indonesian healthcare market generally, we believe the high quality services and specialty treatments in our Siloam Hospitals will attract a portion of the significant number of Indonesians who regularly seek similar specialist treatments in other countries. For example, in the third quarter of 2011 we opened MRCCC, one of Indonesia's first comprehensive cancer centers, which provides specialist services previously unavailable in Indonesia. We are also exploring the possibility of expanding outside of Indonesia. In 2015 we entered into a joint venture agreement with First Myanmar Investment Co. Ltd, whereby we own 40% of the joint venture entity, with respect to the development of a hospital in Myanmar. The total proposed investment value for this joint venture is estimated at US$80,000,000 over seven years.

- *Hospitality and Infrastructure* — We intend to strengthen our branding efforts and intensify our marketing efforts and incentives to business travelers to increase occupancy rates and income from meetings, conventions and exhibitions in each of our hotel properties. We will also continue to explore new opportunities to develop hotel properties within Indonesia. We also plan to continue to develop this business unit's leading reputation for providing high quality town management services by ensuring consistency of services across all of our developments to enhance and improve the living environments of our residents.

- *Property and Portfolio Management* — We plan to continue growing our fee-based income arising from managing an enlarged portfolio of malls and hotels developed by ourselves as well as from managing the REITs.

Prudent balance sheet management

We strive to maintain an appropriate level of leverage and a strong cash position to increase our ability to respond quickly and competitively to investment or development opportunities. In addition, we have available credit facilities which may be utilized to fund growth and expansion.

Our recurring income stream can be utilized to finance our development projects, thereby reducing our reliance on external funding. In addition, our recurring revenues reduce the volatility of our overall income stream inherent in the property development business.

We intend to also recycle capital through our strategy of asset divestment. By undertaking sale and leaseback transactions involving certain of our hospital assets with First REIT and selling certain of our retail assets to LMIRT, we expect to optimize capital usage and the value of our assets. We will then be in a position to utilize sale proceeds to finance future projects. As of June 30, 2016, 12 of the hospitals we operate are owned by First REIT and leased back to us. In November 2012, we completed the sale and lease-back of Hotel Aryaduta Manado, Siloam Hospitals Makassar and Siloam Hospitals Manado with First REIT. The term of the lease is for 15 years, with an option to renew for a further terms of 15 years. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for an aggregate consideration of Rp731 billion and Rp148 billion, respectively. In May 2013, we sold Siloam Hospitals Denpasar and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million. In December 2014, we sold Lippo Mall Kemang to LMIRT for a total consideration of S$362 million. Further, we are finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and we are in advanced discussions with LMIRT and First REIT with respect to the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja.

Continue growth in recurring revenues

We intend to continue growing our recurring revenues to reduce the volatility of our overall income stream inherent in the property development business. In particular, we plan to develop retail and commercial projects on a leasehold basis through which we will receive rental income, as well as expand our hospital and property management portfolio. Our growing recurring revenue as a percentage of total revenue as well as on an absolute basis remains a key focus and differentiating competitive advantage of the Group.

Optimize corporate and capital structure

We intend to explore options to optimize our corporate and capital structure in the future, which may include, among other things, the public listing of, or private sales of minority interests in, one or more of our subsidiaries, including those that generate recurring revenue. In September 2013, our subsidiary, PT Siloam International Hospitals Tbk, which operates our healthcare business unit, completed its initial public offering on the IDX. We currently operate and manage six main business units, all of which are owned by us. For operating efficiency, accounting, financing and taxation purposes, we may restructure the ownership and operation of some or all these business units through our current or future subsidiary companies, and further explore the potential public listing of, or private sales of minority interests in, such subsidiaries.

BUSINESS STRUCTURE

Our operations are organized into six business units: urban development; large scale integrated development; retail malls; healthcare; hospitality and infrastructure; and property and portfolio management. The following table sets forth the operations of these business units as of June 30, 2016.

Urban Development	Large Scale Integrated Development	Healthcare	Hospitality and Infrastructure	Retail Malls[1]	Property and Portfolio Management
• Lippo Village • Lippo Cikarang • Tanjung Bunga • San Diego Hills Memorial Park	• City of Tomorrow • Kemang Village • The St. Moritz • Park View Apartments @ Depok • Nine Residences @ Kemang Utara • Holland Village in Jakarta • Holland Village in Manado • Lippo Thamrin • Embarcadero Park • The St. Moritz Makassar • Orange County • Millennium Village	• 23 hospitals • Three additional hospitals, which are expected to be operational by the end of 2016	• Five five-star hotels • Three five-star hotels in progress • Hotel operator • Town management • Restaurants • Country club • Golf course • Recreational facilities	• Nine leased malls • Eight strata-titled malls	• REIT manager of First REIT and LMIRT • Retail property manager – 44 malls • Four third-party five-star hotels under management

(1) *Strata-titled malls are malls that are stratified and sold on an individual unit basis. We retain ownership of the unsold units and common areas. Leased malls are malls that are held en-bloc by us and held for leasing only.*

In addition to our two significant subsidiaries, GMTD and PT Lippo Cikarang Tbk, for Indonesian property development licensing reasons, we operate several of our business units through a significant number of subsidiaries and affiliated companies.

PROPERTIES

The following table provides information regarding our existing properties as of June 30, 2016:

Development	Development Rights(1)	Acquired Land	Developed Land	Land Sold	Landbank(2) & Inventory (Gross)(3)	Landbank(2) & Inventory (Net)(4)
			(Hectares)			
Lippo Village	3,202	1,351	927	898	458	390
Lippo Cikarang	3,251	2,820	2,548	2,173	647	490
Urban residential	887	981	955	754	227	147
Light industrial	2,364	1,840	1,593	1,419	420	343
Tanjung Bunga	1,500	642	439	300	343	292
San Diego Hills Memorial Park	125	121	121	21	101	92
Total	8,078	4,934	4,035	3,392	1,549	1,264

(1) Development Rights is defined as the total land the Company can acquire in an area based on a Government decision letter.

(2) Landbank is defined as acquired land minus land sold.

(3) Landbank & Inventory (Gross) is defined as the total land owned by the Company, including land used for infrastructure.

(4) Landbank & Inventory (Net) is defined as the total land owned by the Company minus land used for infrastructure.

In December 2006, we sponsored the establishment of First REIT, the first real estate investment trust listed on the Singapore Stock Exchange to own Indonesian assets as well as the first healthcare real estate investment trust listed on the Singapore Stock Exchange. The principal assets we sold to First REIT in October 2006 were Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and Hotel Aryaduta Lippo Village. To ensure that we are able to continue our operations at these properties, First REIT leased these assets back to us on the basis of a long-term lease of 15 years, with a renewal option for an additional similar term exercisable by us. In December 2010, we sold one of our hospitals, Siloam Hospitals Lippo Cikarang, to First REIT and First REIT also acquired an additional hospital, MRCCC. We then leased Siloam Hospital Lippo Cikarang and MRCCC from First REIT for a period of 15 years. Rental payments under such lease are fixed, subject to annual rental adjustments. In November 2012, we completed the sale and lease-back transactions for Siloam Hospitals Manado and Makassar and Hotel Aryaduta Manado with First REIT. The term of the lease is for 15 years, with an option to renew for a further terms of 15 years. As of June 30, 2016, we owned 33.09% of the total units in the First REIT which accounts for 253,366,872 of the 765,607,723 total units. In May 2013, we sold Siloam Hospitals Bali and Siloam Hospitals Simatupang to First REIT for an aggregate amount of S$140.4 million.

In 2007, we sponsored the establishment of the LMIRT, a REIT which holds retail assets in Indonesia that is also listed on the Singapore Stock Exchange. The LMIRT is managed by LMI our wholly-owned subsidiary. We originally managed LMIRT through a joint venture with Mapletree and, in 2011, we acquired Mapletree's 40% stake in the management company. As of June 30, 2016, we owned 29.33% of the total units which accounts for 822,061,761 of the 2,802,992,873 total units. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for an aggregate consideration of Rp731 billion and Rp148 billion, respectively. In December 2014, we sold Lippo Mall Kemang to LMIRT for a total consideration of S$362 million. Further, we are finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and we are in advanced discussions with LMIRT and First REIT with respect to the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja.

LANDBANK

We believe that our landbank is among the largest of all Indonesian property developers. As of June 30, 2016, our total acquired land was approximately 4,934 hectares and landbank available for development was approximately 1,549 hectares. Based on our rate of land consumption during the last five years, we believe that our current landbank will be sufficient to meet our anticipated development needs for the next 10 years. Our landbank primarily consists of land in and around our Lippo Village urban development, Lippo Cikarang urban development, Tanjung Bunga urban development and San Diego Hills Memorial Park.

Our policy has been to acquire large tracts of undeveloped land in certain strategic locations in Indonesia to take advantage of economic and population growth in these areas. We believe such land generally offers good potential for appreciation in value and can be developed at a lower cost than areas that have already undergone significant development. Approximately 78% (by area) of our landbank is in Greater Jakarta, one of Indonesia's fastest growing regions, with a population of approximately 17 million people with an additional one million people commuting into the area each day. All of our landbank is held through HGB Title. See "Regulation — Land Ownership and Acquisition Regulation" for further details regarding HGB Title.

Our policy is, to the extent possible, to maintain the overall size of our current landbank by acquiring land at a similar rate to that utilized, subject to price and suitability. By continually replenishing our landbank, we believe that we are able to support the operations of our urban development and large scale integrated development business units by ensuring that we continually hold sufficient land suitable for development.

URBAN DEVELOPMENT

Our urban development business unit focuses on the development and sale of residential, commercial and light industrial properties and memorial parks. In developing our properties, we focus on selecting strategic locations, building quality infrastructure and utilizing designs that integrate with their surroundings. We employ domestic and foreign consultants and technical advisors to help implement this approach. While our developments are generally targeted at specified income bracket consumers (for example, Lippo Village is targeted at middle to upper-middle income level consumers and Lippo Cikarang is targeted at middle income level consumers), as is mandated by Indonesian law, our residential developments include properties for different income levels.

The table below sets forth our consolidated revenues generated by our urban development business unit in the periods noted.

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Urban Development Sales	1,883.7	5,643.7	2,629.8	199.5	1,075.2	1,163.0	88.2
Urban Development Sales (Net of Final Tax)(1)	1,788.3	5,363.4	2,486.8	188.7	1,014.1	1,094.1	83.0
Cost of Sales and Services	835.6	2,871.7	1,031.1	78.2	337.0	484.3	36.7
Gross Profit	1,048.1	2,772.0	1,455.7	110.4	677.1	609.8	46.3

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".

In our urban developments, we have historically identified large tracts of undeveloped land and sought to acquire such land at low cost. Pursuant to Indonesian regulations on acquiring parcels of land, we obtain development rights from local authorities over such land and land surrounding it, which gives us rights to purchase the surrounding land, pursuant to the development rights that we hold. We then negotiate with landowners to purchase the necessary surrounding land. With the assistance of internationally recognized planners, engineers and architects, we create a master development plan for the project and construct the infrastructure necessary to attract our target consumers. Our operating model in residential areas is to develop key infrastructure before constructing properties, which we believe enables us to maximize marketing and selling opportunities.

We have pioneered the development of complete urban areas in Indonesia, which we believe appeal to Indonesian consumers in the middle to upper-middle income segment. By building five-star hotels, high quality hospital facilities, international standard educational facilities, community clubhouses and sports and recreational facilities and offering security, firefighting and on-call maintenance services within our urban developments, we seek to meet the requirements and expectations of increasingly affluent Indonesian consumers.

Development of projects is undertaken in close coordination with our planning and marketing departments to ensure that the project's development concept and strategy are consistent with market needs and preferences. Development and construction work is carried out by independent contractors. We select our contractors on the basis of competitive bidding and our prior experience with specific contractors. Residential projects in our urban developments generally take approximately one to two years from the time construction begins until completion.

The urban environment is an important part of our development. Approximately 59,500 trees have been planted at Lippo Village since 1993 and similar projects have been undertaken at Lippo Cikarang and Tanjung Bunga. We believe that our urban environment concept is indicative of our dedication to safe and healthy living environments for our customers, and that such a commitment has significantly enhanced the competitiveness of our projects and enabled us to realize higher prices per square meter of land sold in our completed developments. Average prices of residential land sold in our Lippo Village urban development have increased by a compounded annual growth rate of 91% per year in Rupiah terms from 1993 to 2015 (48% in US$ terms).

We are recognized internationally for our property developments, having won the Real Estate Award by Euromoney under the category "Best Developer in Indonesia" for 2005, 2007, 2008, 2009, 2011 and 2012. We were also awarded "Best Developer in Indonesia" for 2011, 2012 and 2013, "Best Condo Development (Indonesia)" by the South East Asia property awards for 2011 and 2013, and "Best Developer in South East Asia" in 2013. In 2012, we were named as one of "The Best 20 Most Admired Company in Indonesia" by Fortune (Indonesia) and "Indonesia Sustainable Business Award 2012 as Industry Champion Building and Property and Industry Champion Healthcare" and also awarded runner-up of FIABCI Award for Master Planning of Lippo Village Township. In 2013, we received the "Indonesia Sustainable Business Award 2013 as Industry Champion Healthcare". In 2015, we received the "Top Ten Developer in Indonesia Award" from BCI Asia for the second consecutive years and were also awarded the "Indonesia Excellence in Growth Property Development and Property Developer of the Year Award for 2015" from Frost & Sullivan.

The following table provides information as of June 30, 2016 regarding our major urban developments:

Projects	Province	Total Developed Area (Hectares)	Landbank (Hectares)	Residential Units (Completed)	Date of Launch
Lippo Village	Banten (West of Jakarta)	927	458	12,896	1993
Lippo Cikarang	East of Jakarta	2,548	647	16,611	1991
Tanjung Bunga	South Sulawesi	439	343	6,681	1997
San Diego Hills Memorial Park	Karawang, West Java	121	101	N/A	2007
Total		4,035	1,549	36,188	

Lippo Village

The Lippo Village urban development was our first significant project. It was launched in 1993 and is located approximately 30 kilometers west of, and accessible by toll road from, central Jakarta. We began pre-selling and marketing residential properties in the development in 1992. Our target residential consumers are middle to upper-middle income consumers. The development currently has a population of approximately 59,400 residents and has been developed on an area of approximately 927 hectares of land out of a total of 1,351 hectares of land we own. The development includes houses, shophouses and five apartment/condominium towers (with a total of 12,896 units) and has become a regional center for office properties, shopping, education, healthcare, entertainment and recreation facilities (including a five-star hotel, resort and 67-hectare golf course). In particular, high quality healthcare services are provided at Siloam Hospitals Lippo Village, while Pelita Harapan University and internationally accredited English language educational institutions offer preschool to tertiary level education facilities.

Our hospitality and infrastructure business unit manages the infrastructure and public facilities within the Lippo Village urban development. We have constructed more than 113.5 kilometers of roads within the development. We own 458 hectares of land, more than 50.0% of which we have already developed infrastructure on, and have development rights in respect of 3,202 hectares.

The Lippo Village urban development includes:

Residential Housing — We offer consumers a range of residential housing options. The development consists of 12,896 residential units including townhouses, shophouses, and terraced, semi-detached and individual detached homes varying in lot size from 66 square meters to 2.5 hectares, which have been sold. The Pinangsia, Palais de Europe and Centrum Shophouses are three-story shophouses which have been constructed at several locations within the development. Shophouses are designed with the first two stories intended for commercial use and the upper-most floor intended for living. All shophouses have been built in areas intended for combined commercial and residential use 1,193 shophouses had been constructed as of June 30, 2016.

Apartments/Condominiums — We have developed three high-rise housing complexes in Lippo Village with a total of 1,120 residential apartment units. The Village Golf Condominiums consist of two towers of 18 and 20 stories, respectively, and are set on a 1.4-hectare site. As of June 30, 2016, all units in the Village Golf Condominiums had been sold. The Amartapura Condominiums, built in conjunction with a joint venture partner, consist of two towers with 40 and 50 stories, respectively. The Matahari Tower Condominium consists of one tower of 40 stories with 131 units.

Other Housing — We also market and sell a small amount of larger area ready-to-build sections of land within the Lippo Village urban development. Purchasers can select their own house designs within established design parameters. Building design and construction is strictly monitored by our building control division to ensure compliance with our building code.

Facilities at Lippo Village

Educational Facilities — Lippo Village has a number of English language Indonesian schools from preschool to tertiary levels, which offer International Baccalaureate accredited educational services and some of which have been accredited by the Council of the International Schools, among others. Sekolah Pelita Harapan was the first international school to be so accredited. We lease a small amount of land to Pelita Harapan University on which some of their buildings are located.

Hospital — The Siloam Hospitals Lippo Village was opened in 1996 and has a current capacity of 274 operational beds. The hospital has a strong reputation in Indonesia and was the first hospital in Indonesia to receive the US-based Joint Commission International ("**JCI**") Accreditation. It primarily serves the health needs of Lippo Village's residents and other medical patients from around Indonesia. We have Centers of Excellence in cardiac medicine and neuroscience at the hospital. In October 2006, we sold the hospital to First REIT and then leased it back for a period of 15 years. The hospital's operations are managed under our Healthcare business unit. See "— Healthcare — Siloam Hospitals Lippo Village".

Teaching Hospital — Siloam General Hospital, which is a teaching hospital located next to Siloam Hospitals Lippo Village, opened in the second quarter of 2012 as part of our initiative to meet the needs of the local community by providing services primarily to middle and lower income patients. It has a current capacity of 300 operational beds (with an expected future capacity of 640 beds).

Hotel — The Hotel Aryaduta Lippo Village, a five-star, eight-story, 190-room hotel, serves the needs of visitors to the Lippo Village urban development and also the surrounding area. In October 2006, we sold the hotel to First REIT and then leased it back for a period of 15 years. The hotel's operations are managed under our hospitality and infrastructure business unit and is also part of our property and portfolio management business. See "— Hospitality and Infrastructure — Hotels".

Shopping Facilities — The Supermall Karawaci, covering over 210,000 square meters, is one of the largest and most modern retail shopping malls in Indonesia. Anchor retailers of the mall include Matahari Department Store, Hypermart, Ace, Gramedia Bookstore, Debenhams, and Cinema Studio 21. We originally developed the mall in 1993 and subsequently sold the property to an unrelated party in 1998. In 2004, we reacquired a small ownership interest in the mall. In 2015, we expanded this development and opened Maxx Boxx, an entertainment center incorporating a food & beverage outlets and a cinema, covering 25,410 square meters.

Golf Course and Clubhouse — The 67-hectare Imperial Klub Golf course, designed by Mr. Desmond Muirhead, as well as a clubhouse opened in January 1996. The Imperial Klub Golf is owned by us and managed by our hospitality and infrastructure business unit. See "— Hospitality and Infrastructure".

Offices — There are currently four high-rise office buildings within the development which are owned and occupied by related and unrelated parties, including PT Bank CIMB Niaga Tbk., PT Matahari Putra Prima and PT Dynaplast Tbk. We developed each of the high-rise offices in response to ongoing demand for office space and subsequently have on-sold them to the named tenants above. To meet the anticipated future demand for office space in Greater Jakarta, we have set aside a significant portion of land for commercial development including office buildings.

Lippo Cikarang Residential and Light Industrial Estate ("Lippo Cikarang")

Through our 54.4% owned subsidiary, PT Lippo Cikarang Tbk., we have developed an integrated real estate and light industrial development at Cikarang Bekasi Regency, approximately 40 kilometers east of central Jakarta. The development rights cover an area of approximately 3,250 hectares, of which 2,820 hectares have been acquired and 2,548 hectares developed. Similar to Lippo Village, in 1991 PT Lippo Cikarang Tbk. identified and acquired a large tract of undeveloped land located adjacent to several light industrial manufacturers, developed a master plan and constructed key infrastructure, before marketing residential options to consumers in 1992. Lippo Cikarang currently has a population of approximately 48,250 residents. The development has approximately 16,661 residential houses including 1,395 apartment units and supporting infrastructure, which includes shopping centers, schools, a hospital and a five-star hotel. The light industrial estate hosts more than approximately 1,000 light industry facilities with several well-known manufacturers such as PT Sanyo Electronics Indonesia, PT Indonesia Epson Industry, PT Danone Indonesia, PT Herlina Indah/Adem Sari, PT Inti Investasi Prima, PT Schott Igar, PT Gramedia and PT Kalbe Farma. We have constructed approximately 281 kilometers of roads within the development. Infrastructure and public facilities within the Lippo Cikarang development are managed by PT Lippo Cikarang Tbk through its subsidiary PT Great Jakarta Inti Development. PT Lippo Cikarang Tbk owns 230 hectares of land zoned for housing and 420 hectares of industrial lots at Lippo Cikarang that is available for future development.

Lippo Cikarang's target residential consumers are middle income consumers. The Lippo Cikarang development includes:

Residential Houses and Apartments — From 1992 to June 30, 2016, we sold approximately 16,611 residential homes in the development, together with the Crown Court Executives Condominium, a two tower, 12-story apartment complex, containing a total of 184 strata-titled units, the Trivium Terrace Apartment, a two tower apartment containing of 809 strata-titled units and Axia South, a two tower, 13-story serviced apartment containing 402 units.

Lippo Cikarang also offers mixed-use residential and commercial properties in the form of shophouses. Approximately 1,216 shophouses have been constructed in several locations around the development, approximately 804 of which had been sold as of June 30, 2016.

Light industrial — Lippo Cikarang sells industrial sites and leases factory buildings to light industry manufacturers. Manufacturing activities at Lippo Cikarang are carefully regulated and monitored by third-party management companies which regularly report to us. Development of the 834-hectare industrial estate commenced in 1988, prior to the development of the residential area. More than 1,000 light industry factories have been built in the area, with total employment of approximately 448,000 people. Manufacturers that have established facilities at Lippo Cikarang to date include PT Sanyo Electronics Indonesia, PT Indonesia Epson Industry, PT Danone Indonesia, PT Kimia Farma, PT Herlina Indah/Adem Sari, PT Inti Investasi Prima, PT Schott Igar, PT Gramedia, PT Pacific Cable and PT Kalbe Farma.

Facilities at Lippo Cikarang

Educational Facilities — There are a number of schools in Lippo Cikarang, including the Pelita Harapan School, the International Islamic Boarding School, the Karya Iman School, the Anglo School, the Tunas Bangsa School and Hikari Japanese School.

Hospital — The Siloam Hospitals Lippo Cikarang, a general medical hospital, was opened in April 2002 and has a current operating capacity of 108 beds and is recognized as a Center of Excellence for Occupational Medicine. In 2010, we sold the hospital to First REIT and then leased it back for a period of 15 years. The hospital's operations are managed under our Healthcare business unit. See "— Healthcare — Siloam Hospitals Lippo Cikarang".

Hotel — The Sahid Jaya Lippo Cikarang Hotel is a five-star hotel with 112 rooms owned and operated by an unrelated third-party.

Shopping Center — The Mall Lippo Cikarang, a 49,250-square meter shopping center, was opened in February 1995. The mall was developed by PT Lippo Cikarang Tbk. and currently is owned by LMIRT. Anchor tenants include Matahari Department Store and Hypermart. In 2015, we opened Maxx Box Lippo Cikarang, a 21,000 square meter entertainment center including food & beverage outlets and a cinema.

Offices — Pacific Tower is an eight story office complex on a one hectare site area and is owned and managed by Bank CIMB Niaga. To meet anticipated future demand for office space in Greater Jakarta, we have set aside a significant portion of land for commercial development including office buildings.

We are currently in discussions with two Chinese investors, the Shenzhen Yantian Port Group Co., Ltd and Country Garden Holdings Co. Ltd., to jointly develop a new industrial estate at Lippo Cikarang.

Tanjung Bunga Urban Development ("Tanjung Bunga")

We have, through our 54.0% owned subsidiary GMTD, developed the Tanjung Bunga urban development in Makassar, South Sulawesi, Indonesia. Tanjung Bunga is the largest integrated community development in eastern Indonesia and currently covers a developed area of approximately 440 hectares. GMTD targets middle and upper-middle income consumers. GMTD has acquired a total of 643 hectares of land and we anticipate that the development will, over time, expand to cover an area of approximately 1,000 hectares for which we have development rights Development commenced in 1997. Since then, GMTD has acquired a large area of undeveloped land, installed critical infrastructure, including a four and half kilometer causeway linking the development with the city of Makassar and subsequently constructed and sold residential housing.

The Tanjung Bunga development includes approximately 6,509 homes and has a population of approximately 14,343 residents. The development is unique in Makassar in that it includes both ocean front and river front properties. We are developing a Spanish-Mediterranean-style cluster of townhouses, medium-sized homes and condominiums called Espana Residences, which are anticipated to cover a four hectare site and consist of 6,526 residential units. We have 343 hectares of land at Tanjung Bunga in our landbank. The town has approximately 15.5 kilometers of sea coast frontage and 11.2 kilometers of riverside frontage.

Facilities at Tanjung Bunga include the 224-room, five-star Hotel Aryaduta Makassar operated by us and the GTC Makassar Shopping Center owned and operated by us (which is the largest retail shopping mall in eastern Indonesia). Hotel operations are managed under our Property and Portfolio Management business unit. See "— Property and Portfolio Management — Hotel Operator".

San Diego Hills Memorial Park Development

The San Diego Hills Memorial Park, built on more than 100 hectares of land in Karawang, West Java, commenced commercial operations in January 2007. We occupy the property pursuant to a sale purchase and proxy agreement (*Perjanjian Jual Beli dan Kuasa*) made by PT Karawang Jabar Industrial Estate and PT San Diego Hills Memorial Park, a subsidiary of the Company. Single space and family burial plots are available in various denominational sections. The memorial park includes 14 hectares of facilities, including a multipurpose, multidenominational building, a chapel, a restaurant and food mart, a gift shop, and an eight hectare man-made lake. As of June 30, 2016, approximately 7,388 internments had been made and approximately 83.19% of the area available for marketing had been sold.

LARGE SCALE INTEGRATED DEVELOPMENT

Our large scale integrated development business unit focuses on the development and sale of residential properties, office space, retail, hospitality, leisure, education and healthcare facilities in one location. As of June 30, 2016, we had ten developments under construction.

The following table provides information regarding our current large scale integrated developments:

Projects	Province	Total Developed Area (Hectares)	Landbank (Hectares)	Residential Units (Completed / Under Construction)	Year of Launch
City of Tomorrow	Surabaya	3.0	3.0	252	2005
Kemang Village	Kemang, South Jakarta	9.0	9.0	1,699	2007
The St. Moritz	Puri Indah, West Jakarta	11.6	11.6	1,081	2008
Park View Apartments @ Depok	Depok, West Java	2.5	2.5	839	2011
Nine Residences	Kemang Utara, South Jakarta	0.9	0.9	352	2013
Holland Village in Jakarta	Central Jakarta	4.1	4.1	576	2013
Lippo Thamrin	Central Jakarta	0.3	0.3	62	2013
The St. Moritz Makassar	Makassar	2.6	2.6	291	2014
Embarcadero Park	Bintaro	2.5	2.5	944	2014
Holland Village in Manado	Manado	11.6	11.6	323	2015
Orange Country, Lippo Cikarang	Bekasi, West Java	19.5	322	2,366	2014
Millennium Village	Tangerang, Banten	18.2	71	494	2014
Total		85.8	441.0	9,279	

The table below sets forth our consolidated revenues generated by our large scale integrated development business unit in the periods noted.

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Large Scale Integrated Development Sales	1,122.8	1,335.4	773.5	58.7	977.3	609.8	46.3
Large Scale Integrated Development Sales (Net of Final Tax)[(1)]	1,065.4	1,267.7	733.5	55.7	930.2	577.8	43.8
Cost of Sales	535.2	623.8	360.7	27.4	536.5	326.7	24.8
Gross Profit	587.6	643.9	372.8	28.3	393.7	251.1	19.1

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".

Our development projects in this business unit include:

City of Tomorrow

Our City of Tomorrow development in Surabaya, East Java, was completed in 2009 on a 26,655-square meter site which we own. The total built area including the shopping center, hotel, condominium and office towers is approximately 18,414 square meters. As of June 30, 2016, approximately 89.4% of retail units had been sold.

Kemang Village

Our Kemang Village development is being built on an 15-hectare site in Kemang, South Jakarta. The development was launched in July 2007, and construction was 100% completed as of March 31, 2015. The development includes a leased mall with a gross floor area of 146,157 square meters, a five-star Hotel which will be owned and managed by us, 11 condominium towers offering approximately 1,695 residential units including penthouses, Pelita Harapan School catering for around 1,200 students, the Kemang Village Country Club, a Siloam Hospital, and a spa. Lippo Mall Kemang, managed by us, had its soft opening on September 26, 2012 and has a net leaseable area of 54,292 square meters. As of June 30, 2016, 99.4% of the launched apartments units had been pre-sold. In 2013, Kemang Village received the South East Asia Property Award as Best Condo Development.

The St. Moritz

The St. Moritz development is being constructed on a 11-hectare site in the new West Jakarta central business district at Puri Indah. The development is planned to include one of the largest shopping and entertainment complexes in Indonesia and a 200-suite five-star JW Marriott Hotel and Resort, among others. The development includes an office tower in West Jakarta, which is expected to be completed in 2017 with a gross floor area of 20,280 square meters. 100% of the office tower has been pre-sold with the average selling price of Rp19.9 million per square meter. The first phase of The St. Moritz development has been completed, with final completion of the development scheduled in 2018. As of June 30, 2016, 95.2% of the launched apartments units had been pre-sold. In 2011, The St. Moritz received the South East Asia Property Award as Best Condo Development (Indonesia).

Park View Apartments @ Depok

The Park View Apartments @ Depok began construction in 2011 and consists of two apartment towers constructed on top of the existing Depok Town Square mall in West Java. Tower I has a total area of 14,500 square meters with 450 units and Tower II has a total area of 14,000 square meters with 389 units with a total gross floor area of 31,500 square meters. 100% of the units in Tower I have been pre-sold with an average selling price of Rp8.5 million per square meter and 100% of the units in Tower II have been pre-sold with an average selling price of Rp8.9 million per square meter. The project was completed in 2014.

Nine Residences @ Kemang Utara

Construction of Nine Residences @ Kemang Utara, South Jakarta commenced in the first quarter of 2013. The project consists of a two-tower apartment block with 352 units and is targeted for completion in 2016. 100% of the units in the development have been pre-sold with an average selling price of Rp17.9 million per square meter.

Holland Village in Jakarta

Holland Village in Jakarta, which is located in Central Jakarta, was launched for pre-sale in May 2013. The second phase was launched in October 2014. The project consists of two tower apartment blocks with a total of 239 units and total area of 42,034 square meters. The development, when completed, is expected to also include a shopping mall, hospitals, office tower and school. We launched the Holland Village Office Tower in May 2014. As of June 30, 2016, 82% of the units in the development had been pre-sold at an average selling price of Rp22.2 million per square meter. Construction commenced in 2014 and is expected to be completed in 2019. In 2014, we also launched Holland Village Apartment. As of June 30, 2016, 98.2% of the apartments in Holland Village Apartment had been pre-sold at an average selling price of Rp22.3 million per square meter.

Holland Village in Manado

Holland Village in Manado, which is located in Manado, was launched for pre-sale in June 2015. Construction commenced in September 2015 and is expected to be completed in May 2017. The project consists of 433 units and total area of 46,260 square meters. The development, when completed, is expected to also include a shopping mall, a hospital, a school a hotel and a cinema. As of June 30, 2016, 84% of the units in the development had been pre-sold at an average selling price of Rp7.3 million per square meter.

Orange Country, Lippo Cikarang

Orange Country, Lippo Cikarang was launched for pre-sale in November 2014. Orange Country, Lippo Cikarang is approximately 34.7 kilometers east of central Jakarta, assessable via the Jakarta-Cikampek toll road. Construction of phase one of this development commenced in February 2015 and is expected to be completed in 2020. The first phase will, once complete, comprise a 61-story tower, a 12 residential towers built above a 210,000 square meter mall, a 1,000-room hospital providing private and general healthcare facilities, a university, four schools including a new Japanese school, a hotel and convention center. As of June 30, 2016, 96.0% of the residential units in the development had been pre-sold at an average selling price of Rp25.67 million per square meter.

On October 28, 2015, we entered into a joint venture agreement with PT Diamond Realty Investment Indonesia, a subsidiary of Mitsubishi Corporation, with respect to the development of two towers of luxury residential apartments in Orange Country, Lippo Cikarang, with total proposed investment value of US$100,000,000. Pursuant to the terms of the joint venture agreement, we own 51% of the joint venture entity while PT Diamond Realty Investment Indonesia owns 49%.

Millennium Village

Millennium Village, which is located in Lippo Village, is an integrated development with approximately 70% of that area to be "green area". Once complete, the development will comprise three landmark towers, the 75-story Gateway Tower, the 100-story Iconic Tower and the 75-story Super Tower. In August 2014, we launched two towers for pre-sale. Construction commenced in 2016 and is expected to be completed in 2019. The two towers consist of 493 units and total area of 38,921 square meters. As of June 30, 2016, 60.1% of the units in the development had been pre-sold at an average selling price of Rp19.7 million per square meter.

Lippo Thamrin

Lippo Thamrin, which is located in Central Jakarta, was launched for pre-sale in October 2013. The project consists of an office tower with 18 stories and gross floor area of 16,476 square meters when completed. All of the units in the development have been pre-sold at an average selling price of Rp47.6 million per square meter. Construction commenced in 2014 and is expected to be completed in 2017.

The St. Moritz Makassar

The St. Moritz Makassar, which is located in Makassar, South Sulawesi, was launched for pre-sale in January 2014. The project, when completed, is expected to include a residential tower, hotel, mall, hospital, school, private members' club, lounge, movie theater, entertainment center and food and beverage outlets. The development is expected to have a total area of 27,000 square meters. As of June 30, 2016, approximately 58.7% of the units in the apartment tower have been pre-sold at an average selling price of Rp19.9 million per square meter. Construction commenced in 2014 and is expected to be completed in 2018.

Embarcadero Park

Embarcadero Park, which is located in Bintaro, was launched for pre-sale in March 2014. The project, when completed, is expected to include two apartment towers, a shopping center, trade and entertainment centers, a hospital and three schools, with a total area of approximately 210,000 square meters. As of June 30, 2016, approximately 84.9% of the units in the apartment towers have been pre-sold at an average selling price of Rp19.7 million per square meter. Construction commenced in 2014 and is expected to be completed in 2018.

HEALTHCARE

Our healthcare business unit operated 23 hospitals (including BIMC Kuta and BIMC Nusa Dua) as of June 30, 2016, with the principal line of business being the provision of healthcare services through (i) the operation of hospitals, (ii) the provision of health consultancy services and (iii) the provision of clinical and diagnostic services. We offer a comprehensive range of specialist medical services providing complex surgical procedures available in Indonesia, as well as laboratory services, radiology and imaging facilities, fertility treatment, general healthcare services and diagnostic and emergency services.

Two hospitals are located within our developments at Lippo Village and Lippo Cikarang, which offer the populations of these developments convenient access to comprehensive healthcare. The other hospitals are located in Jakarta, Surabaya, Jambi, Manado, Balikpapan, Makassar, Palembang, Bali, Medan, Buton and Samarinda.

12 of the 23 hospitals we operate are owned by First REIT and leased to us. In November 2012, we completed the sale and lease-back of two of our hospitals, Makassar and Manado (together with Hotel Aryaduta Manado), to First REIT. The term of the lease is for 15 years, with an option to renew for a further term of 15 years. In May 2013, we sold Siloam Hospitals Bali and Siloam Hospitals Simatupang to First REIT for a total consideration of S$140.4 million.

We plan to expand our healthcare network by opening 14 additional hospitals in strategic locations within Indonesia in 2016 and 2017. Currently, 25 hospitals are in development or under construction, three of which are expected to be completed in 2016, including our hospitals in Bogor, Jogja, Semarang and Bangka Belitung, and 11 of which are expected to be completed in 2017, including our hospitals in Sorong and Lubuk Linggau. The remaining 11 hospitals that are in development are expected to be completed between 2018 and 2021.

In September 2013, our subsidiary, PT Siloam International Hospitals Tbk, which operates our healthcare business unit, completed its initial public offering on the IDX of approximately 14% of its total issued and outstanding shares, raising net proceeds of Rp1,404.9 billion. On March 18, 2014, we sold 82,500,000 shares in PT Siloam International Hospitals Tbk, for Rp10,400 per share and in February 2015, we sold 77,500,000 shares in PT Siloam International Hospitals Tbk, for Rp12,250 per share. On September 21, 2016, we sold 104,049,000 shares in PT Siloam International Hospitals Tbk for Rp11,500 per share. As a result, our effective shareholding in PT Siloam International Hospitals Tbk through PT Megapratama Karyapersada, decreased to 51.46%. The net proceeds from the sales was Rp1,196.6 billion. On September 2, 2016, PT Siloam International Hospitals Tbk announced a Rp.1.3 trillion rights issue. On October 11, 2016, approval was obtained for its existing shareholders to be given pro rata rights to subscribe for up to 144,512,500 new shares.

The table below sets forth the consolidated revenue generated by our healthcare business unit in the periods noted.

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	**2014**	**2015**	**2015**	**2015**	**2016**	**2016**
	Rp	**Rp**	**Rp**	**US$**	**Rp**	**Rp**	**US$**
	(Rp in billions and US$ in millions)						
Healthcare Sales	2,503.6	3,340.8	4,144.1	314.4	1,987.0	2,554.8	193.8
Healthcare Sales (Net of Final Tax)[(1)]	2,503.6	3,340.8	4,144.1	314.4	1,987.0	2,554.8	193.8
Cost of Sales	1,844.9	2,388.7	2,967.6	225.2	1,420.9	1,788.9	135.7
Gross Profit	658.7	952.1	1,176.5	89.3	566.1	765.9	58.1

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".

Siloam Hospitals Lippo Village was the first Indonesian hospital to receive a JCI Accreditation and all of our hospitals have ISO Certification. In November 2010, the Indonesian Health Minister named our Siloam Hospitals Group Indonesia's only international hospital. We also won the "Indonesian Healthcare Services Provider of the Year: Best Practices" award from Frost & Sullivan in 2010, 2012, 2014 and 2015, received an "Excellent" award from the Asian Hospital Management Awards in 2011 and received Indonesia Sustainable Business Awards 2013 as Industry Champion Healthcare.

The following table provides information regarding our hospitals as of June 30, 2016:

	Siloam Hospitals Kebon Jeruk(1)	Siloam Hospitals Lippo Village(1)	Siloam Hospitals Lippo Cikarang(2)	Siloam Hospitals Surabaya(1)	MRCCC(2)	Siloam Hospitals Balikpapan	Siloam Hospitals Jambi	Siloam General Hospital (Teaching Hospital)	Siloam Hospitals Manado(3)	Siloam Hospitals Makassar(3)	Siloam Sriwijaya Palembang	Siloam Hospitals Cinere	Siloam Hospitals Bali(3)	Siloam Hospitals Simatupang(3)	BIMC Kuta	BIMC Nusa Dua	Siloam Hospitals Purwakarta(3)	RS Asri	Siloam Hospitals Kupang(3)	Siloam Hospitals Medan	Siloam Hospitals Labuan Bajo	Siloam Hospitals Buton	Siloam Hospitals Samarinda	Total
Start of operation	2002	1996	2002	2002	2011	2011	2011	2012	2012	2012	2012	2012	2013	2013	1998	2012	2014	2014	2014	2014	2016	2016	2016	
Operational beds	215	274	108	160	140	165	90	300	177	215	150	37	110	100	18	20	190	40	110	80	30	30	10	2,769
Capacity	285	308	114	162	334	232	100	640	238	360	357	50	281	269	19	39	202	40	416	356	124	140	34	5,102
Medical staff:																								
General practitioners	32	34	23	20	32	16	15	34	26	21	15	4	29	18	27	24	15	14	15	13	10	9	4	449
Specialists	154	175	63	122	134	83	48	16	78	89	113	16	84	115	30	30	38	71	35	69	9	13	20	1,599
Nurses	336	403	168	257	285	162	133	343	210	235	179	44	201	132	66	65	188	78	151	85	54	63	17	3,855
Building area (square meters)	19,798	27,284	11,125	9,227	50,576	14,047	5,655	13,701	12,811	14,307	16,666	4,480	28,900	18,831	1,342	9,769	17,313	5,855	14,077	16,895	7,665	6,500	2,165	328,990
Land (square meters)	11,420	17,442	9,900	6,862	4,145	12,562	7,132	39,317	5,518	3,963	23,285	1,359	9,025	2,489	2,450	8,130	13,132	3,554	10,350	7,596	8,703	4,297	—	212,631

(1) *Siloam Hospitals Kebon Jeruk, Lippo Village and Surabaya are owned by First REIT and leased to us on a 15 year lease ending in 2021.*

(2) *Siloam Hospitals Lippo Cikarang and MRCCC is owned by First REIT and leased to us on a 15 year lease ending in 2025.*

(3) *Siloam Hospitals Manado, Makassar, Bali, Simatupang, Purwakarta and Kupang are owned by First REIT and leased to us for a period of 15 years with an option for the parties to extend the lease for a further 15 years.*

In connection with the specialist nature of our hospital facilities, we have developed "Centers of Excellence" in a number of specialist areas at our hospitals, including in the fields of cardiology, neuroscience, fertility treatment, urology, orthopedics, occupational medicine and gynecology. We believe our Centers of Excellence are recognized in Indonesia as providing some of the most sophisticated services and care available in Indonesia. In particular, doctors practicing in competing public and private hospitals regularly recommend our services in such specialty areas. Our Centers of Excellence have also provided us the opportunity to train specialist doctors and nursing staff. We believe our reputation and training has also helped us to retain trained medical staff in our hospitals. In Indonesia, doctors are independent and not employed by hospitals and as a result our training programs are helping us retain our doctors, thereby maintaining a competitive edge over our competitors in attracting doctors. We have established an incentive program to encourage doctors to use our hospitals and recommend us to their patients. Under this program we provide continuing education programs, give doctors access to some of the best facilities and equipment available in Indonesia, assist their children in finding placement in our schools and provide discounts on some of our properties.

To ensure our medical facilities are operated to the highest standards, we also actively collaborate with international medical providers, including in Singapore and Australia and work closely with University Pelita Harapan.

Below are brief descriptions of our Centers of Excellence and our hospitals.

Siloam Hospitals Kebon Jeruk

Our Siloam Hospitals Kebon Jeruk offers general hospital services and is regarded as a Center of Excellence for urology, cardiology, emergency services and orthopedics. The hospital currently offers 215 operational beds, with a capacity of 285 beds.

Siloam Hospitals Lippo Village

Our Siloam Hospitals Lippo Village offers general hospital services and is regarded as a Center of Excellence for cardiac medicine and neuroscience center and memory clinic. The hospital offers a comprehensive range of cardiac services ranging from preventative measures to complicated surgery. Siloam Hospitals Lippo Village was the first hospital in Indonesia to be awarded a JCI Accreditation. Siloam Hospitals Lippo Village has 274 operational beds, with a capacity of 308 beds.

Siloam Hospitals Lippo Cikarang

Our Siloam Hospitals Lippo Cikarang offers general hospital services and is regarded as a Center of Excellence for Occupational Medicine. In December 2010, First REIT acquired Siloam Hospitals Lippo Cikarang from us for S$33.3 million with the proceeds of its rights issue. Siloam Hospitals Lippo Cikarang has 108 operational beds, with a capacity of 114 beds.

Siloam Hospitals Surabaya

We acquired our Siloam Hospitals Surabaya in 1997, which offers general hospital services and is regarded as a Center of Excellence for fertility treatment and stroke treatment. One of the leading hospitals in Indonesia for assisted reproductive technology, it has conducted more than 6,578 artificial insemination treatments since its program began, resulting in 1,024, 1,022 and 1,027 births in 2013, 2014 and 2015, respectively. Siloam Hospitals Surabaya has 160 operational beds, with a capacity of 162 beds.

In October 2006, we sold the Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk and Siloam Hospitals Surabaya to First REIT as part of a sale and lease-back transaction. Each of the leases for these hospitals are for a period of 15 years from December 2006. See "— Property and Portfolio Management — REIT Management".

We plan to increase public awareness of the high quality of services offered by our medical facilities and to promote our "Siloam Hospitals" brand name through strong marketing activities both in Indonesia and internationally, targeting potential consumers who may otherwise go to neighboring countries for elective surgical procedures.

We regularly sponsor international educational programs for employees of our hospitals. Recently, we have offered educational programs in infection control, sterilization, critical care, surgery, maternity and pediatric services. Periodic in-house staff training is conducted by foreign lecturers, with additional external training taking place overseas in Australia, Singapore and Thailand. We believe these efforts have facilitated our ability to attract qualified medical staff to our healthcare facilities.

Mochtar Riady Comprehensive Cancer Center (MRCCC)

MRCCC, located in Semanggi, South Jakarta opened in the third quarter of 2011 with 29 floors. MRCCC currently has 140 operational beds, with a capacity of 334 beds. MRCCC is one of Indonesia's first cancer specialist centers. The total land area of MRCCC is 4,145 square meters while the total building area is 50,576 square meters. First REIT acquired MRCCC for S$170.5 million in December 2010, partially with the proceeds of its rights issue. We lease MRCCC from First REIT for a period of 15 years and we operate it under the Siloam Hospitals name.

Siloam Hospitals Balikpapan

In November 2010, we acquired a hospital in Balikpapan for Rp114.0 billion that reopened as Siloam Hospitals Balikpapan in the last quarter of 2011 with 165 operational beds, with a capacity of 232 beds. The hospital has a total land area of 12,562 square meters and a total building area of 14,047 square meters.

Siloam General Hospital (Teaching Hospital)

Siloam General Hospital, the teaching hospital located in Lippo Village, commenced operations in the second quarter of 2012 with 300 operational beds, with a capacity of 640 beds. The hospital is designed to cater to the needs of lower income individuals and families while also providing training opportunities for students at a local medical school. The total land area of this hospital is 39,317 square meters while the total building area is 13,701 square meters.

Siloam Hospitals Jambi

In October 2010, we acquired a hospital in Jambi for Rp51.4 billion that reopened as Siloam Hospitals Jambi in the first quarter of 2011, and it currently has 90 operational beds, with a capacity of 100 beds. The hospital has a total land area of 7,132 square meters and a total building area of 3,892 square meters.

Siloam Hospitals Manado

Siloam Hospitals Manado, located in Manado, North Sulawesi, commenced operations in June 2012. Siloam Hospitals Manado currently has 177 operational beds, with a capacity of 238 beds. The total land area of this hospital is 5,518 square meters and the total building area is 12,811 square meters. In November 2012, we completed the sale and lease-back of Siloam Hospitals Manado with First REIT for S$83.6 million. The term of the lease is for 15 years, with an option to renew for a further terms of 15 years.

Siloam Hospitals Makassar

Siloam Hospitals Makassar, located in Makassar, South Sulawesi, commenced operations in September 2012. Siloam Hospitals Makassar currently has 215 operational beds, with a capacity of 360 beds. The total land area of this hospital is 3,963 square meters and the total building area is 14,307 square meters. In November 2012, we completed the sale and lease-back of Siloam Hospitals Makassar with First REIT for S$59.3 million. The term of the lease is for 15 years, with an option to renew for a further term of 15 years.

Siloam Hospitals Cinere

In 2012, we acquired 80% of PT Diagram Healthcare Indonesia, which is the company that operates Siloam Hospitals Cinere. The hospital is located in Puri Cinere, Depok and occupies a seven-story building, with a total building area of 4,480 square meters, on a land area of 1,359 square meters. The hospital is positioned as a Center of Excellence for cardiology and has 37 operational beds, with a capacity of 50 beds. We plan to convert the existing Siloam Hospitals Cinere into a 300-bed capacity general hospital together with a Center of Excellence for cardiology by 2019.

Siloam Hospitals Sriwijaya Palembang

Siloam Hospitals Sriwijaya Palembang, located in Palembang, South Sumatra, commenced operations in October 2012 and currently has 150 operational beds, with a capacity of 357 beds. The total land area of this hospital is 23,285 square meters and the total building area is 16,666 square meters. The hospital and the land on which it is located is owned by a third-party and we plan to purchase the hospital at an appropriate time.

Siloam Hospitals Bali

Siloam Hospitals Bali, located in Bali, commenced part of its operations in December 2012 and commenced the rest of its operations in the first quarter of 2013. The hospital has 127 operational beds, with a capacity of 281 beds. The total land area of this hospital is 9,025 square meters and the total building area is 28,900 square meters. We completed a sale and leaseback of the hospital to First REIT in May 2013.

Siloam Hospitals Simatupang

We commenced operations in July 2013 and the hospital currently has 100 operational beds, with a capacity of 269 beds. The hospital is regarded as a Center of Excellence for emergency services, cardiology, oncology and neuroscience. We completed a sale and leaseback of the hospital to First REIT in May 2013.

BIMC Hospital Kuta

In 2013, we acquired 80% of BIMC Hospital Kuta, located in Kuta, Bali. The hospital commenced operations in 1998 and has 18 operational beds, with a capacity of 19 beds. The total land area of this hospital is 2,450 square meters and the total building area is 1,342 square meters. BIMC Hospital Kuta offers general hospital services and is regarded as a Center of Excellence for emergency services, 24-hour medical services and medical esthetic services.

BIMC Hospital Nusa Dua

In 2013, we acquired 80% of BIMC Hospital Nusa Dua, located in Nusa Dua, Bali. The hospital commenced operations in 2012 and has 20 operational beds, with a capacity of 39 beds. The total land area of this hospital is 8,130 square meters and the total building area is 9,769 square meters. BIMC Hospital Nusa Dua offers general hospital services and is regarded as a Center of Excellence for emergency services, 24-hour medical services, medical esthetic services, dental services and dialysis services.

Siloam Hospitals Purwakarta

In 2014, we commenced operations at Siloam Hospitals Purwakarta, located in West Java. Currently, the hospital has 190 operational beds, with a capacity of 202 beds. The total land area of this hospital is 13,132 square meters and the total building area is 17,313 square meters. Siloam Hospitals Purwakarta offers general hospital services and is regarded as a Center of Excellence for emergency services, cardiac, orthopedic and internal medicine services. First REIT acquired Siloam Hospitals Purwakarta from third party in May 2014. We lease Siloam Hospitals Purwakarta from First REIT pursuant to a 15 year lease.

RS Asri

In 2014, we acquired Rumah Sakit Asri, located in South Jakarta. This 40-bed hospital commenced operations in 2014. The total land area of this hospital is 3,554 square meters and the total building area is 5,855 square meters. RS Asri offers general hospital services and is regarded as a Center of Excellence for urology and pulmonology.

Siloam Hospitals Kupang

We commenced operations at Siloam Hospital Kupang in December 2014; the hospital currently has 110 operational beds, with a capacity of 416 beds. Siloam Hospitals Kupang is regarded as a Center of Excellence for emergency services. The total land area of this hospital is 10,350 square meters and the total building area is 14,077 square meters. First REIT acquired Siloam Hospitals Kupang in December 2015. We lease Siloam Hospitals Kupang from First REIT pursuant to a 15 year lease.

Siloam Hospitals Medan

We commenced operations at Siloam Hospitals Medan in 2014. The hospital currently has 80 operational beds, with a capacity of 356 beds. Siloam Hospitals Medan is regarded as a Center of Excellence for emergency and trauma services. The total land area of this hospital is 7,596 square meters and the total building area is 16,895 square meters.

Siloam Hospitals Labuan Bajo

We commenced operations at Siloam Hospitals Labuan Bajo in January 2016 with 19 operational beds, with a capacity of 114 beds. Siloam Hospitals Labuan Bajo is regarded as a Center of Excellence for emergency services. The total land area of this hospital is 8,703 square meters and the total building area is 7,665 square meters.

Siloam Hospitals Buton

We commenced operations at Siloam Hospitals Buton in April 2016 with 30 operational beds, with a capacity of 140 beds. Siloam Hospitals Labuan Bajo is regarded as a Center of Excellence for emergency services. The total land area of this hospital is 4,297 square meters and the total building area is 6,500 square meters.

Siloam Hospitals Samarinda

This 30-bed hospital commenced operations in June 2016 with 10 operational beds, with a capacity of 34 beds. The total building area is 2,165 square meters. Siloam Hospitals Samarinda is regarded as a Center of Excellence for Emergency Services.

HOSPITALITY AND INFRASTRUCTURE

Our hospitality and infrastructure unit manages our owned/leased hotel operations under the Aryaduta brand and operates a number of restaurants, a golf course and other facilities. Many of these facilities target business travelers in particular. We started our hospitality business unit with the development of our hotels at Lippo Village, Pekanbaru and Medan and acquired the Hotel Aryaduta Jakarta. In developing our urban developments at Lippo Village and Tanjung Bunga and our large scale integrated developments in Kemang Village and The St. Moritz, we aimed to satisfy our customer's needs by including certain key infrastructure, such as high quality hotel facilities. We also took the opportunity to acquire the Hotel Aryaduta Jakarta to increase the public visibility of our hotels. We currently own three and lease two Aryaduta-branded hotels, and we are developing three new hotels, with completion of each due in 2018.

The table below sets forth the consolidated revenue generated by our hospitality and infrastructure business unit in the periods noted:

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Hospitality and Infrastructure Sales	657.5	721.1	785.0	59.6	373.4	429.7	32.6
Hospitality and Infrastructure Sales (Net of Final Tax)[1]	657.5	721.1	785.0	59.6	373.4	429.7	32.6
Cost of Sales	281.4	348.3	401.3	30.4	186.5	212.1	16.1
Gross Profit	376.1	372.8	383.7	29.1	186.9	217.6	16.5

(1) *See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".*

Hotels

Details of our hotels are as follows:

Hotel Aryaduta Jakarta

The Hotel Aryaduta Jakarta is a 302-room, five-star hotel, located in central Jakarta. It is located close to a number of foreign embassies, the central business district, shopping and entertainment. The hotel was opened in 1974 and is managed by the Company's Hospitality and Infrastructure business unit. For the six months ended June 30, 2016, the occupancy rate at the hotel was 68.7%, with an average room rate per night of Rp657,126(US$49.9).

Hotel Aryaduta Lippo Village

Our Hotel Aryaduta Lippo Village is located within the Lippo Village urban development. The five-star, 192-room hotel offers guests easy access to central Jakarta as well as to the significant business districts located around the development. The hotel was opened in 1994 and in 2001 was integrated with Lippo Village Country Club, allowing guests access to the Imperial Klub Golf course and facilities. We believe that this is one of the few hotels in Jakarta linked to a country club. For the six months ended June 30, 2016, the occupancy rate at the hotel was 66.4% with an average room rate per night of Rp730,260 (US$55.4).

The Hotel Aryaduta Lippo Village was included in our sale and lease back transaction with First REIT in October 2006.

Hotel Aryaduta Pekanbaru

The 158-room Hotel Aryaduta Pekanbaru is the only five-star hotel in central Pekanbaru. Its location is close to the Pekanbaru local government district. The hotel was constructed for the Riau regional government and opened in 2001. The arrangement is scheduled to expire in 2026, but may be extended by mutual agreement for an additional 10 years. For the six months ended June 30, 2016, the occupancy rate at the hotel was 42.2%, with an average room rate per night of Rp451,004 (US$34.2).

Hotel Aryaduta Medan

The Hotel Aryaduta Medan is a 197-room five-star hotel located in Medan, North Sumatra that we own and operate. The hotel has been in operation since 2007. For the six months ended June 30, 2016, the occupancy rate and average room rate was 63.5% and Rp576,496 (US43.7), respectively.

Hotel Aryaduta Manado

The Hotel Aryaduta Manado is a 200-room five-star hotel located in Manado, South Sulawesi that we acquired in April 2012 and operate. For the six months ended June 30, 2016, the occupancy rate and average room rate was 52.7% and Rp526,279 (US$39.9), respectively.

In November 2012, we completed the sale and lease-back of Hotel Aryaduta Manado with First REIT. The term of the lease is for 15 years, with an option to renew for a further term of 15 years.

We believe that we are able to maximize guest satisfaction through the integrated management, reservation and marketing system in all our hotels.

In order to maintain market share, we have adopted a flexible approach to marketing our hotels by offering competitive rates to attract guests. We provide standard five-star quality services including business centers, meeting rooms, conference facilities, swimming complexes and gymnasiums, and also offer land or helicopter transportation (at the Hotel Aryaduta Lippo Village) for our guests.

We also generate revenue from food and beverage sales through our banquet facilities, which are regularly used by guests for weddings, business meetings, conferences and events. Revenue from food and beverage sales is also generated through room service, the restaurants located in our hotels and catering events held outside our hotels.

Hotels under development

We also have three hotels under development in Surabaya, Kemang Village and The St. Moritz in West Jakarta, each of which are expected to be completed in 2018. Our total planned capacity for the hotels is 200, 250 and 250 rooms, respectively.

Town Management

Our town management services include the provision of a potable water and sewage treatment system (which is unique to Indonesia). We also provide firefighting services, security management, road and drainage construction, maintenance and traffic management services, electricity, telephone and broadband internet, as well as all aspects of home care and building management.

We also operate a public transportation fleet to transport Lippo Village residents to central Jakarta, and bus services within the Lippo Village and Lippo Cikarang urban developments. We believe that much of the continued sales success at our Lippo Village, Lippo Cikarang and Tanjung Bunga urban developments is attributable not only to the modern and efficient planning and design of our urban developments and the provision of modern services and utilities to residents, but also to the involvement of a professional town management division in such urban developments.

We actively market our town management services to our customers and believe that our ability to provide such services differentiates us from our competitors.

Other Facilities

In addition to the ownership and operation of hotels, our hospitality and infrastructure business unit also operates a number of other service assets including a golf-course and a significant number of leisure and other facilities, all of which are contained within our developments.

We manage the Imperial Klub Golf course located within our Lippo Village urban development. Opened in 1995, the 6,429 meter 18-hole course was designed by internationally renowned designer Mr. Desmond Muirhead. In 2011, the course ranked as the second most popular among 18-hole golf courses in Indonesia in terms of usage according to the Indonesia Club Manager Association. Its popularity can be attributed to its good course condition, convenient location adjacent to the Jakarta-Merak toll road and its interesting and challenging design.

Our other properties include the Maxx Box, which is a food & beverage and entertainment center with indoor and outdoor dining and a cinema, and the 24 outlet Benton Junction located within the central business district of Lippo Village. Also within the Lippo Village development is the Permata Sports Club Lippo Village, which features swimming pools, a soccer field, volleyball and tennis courts and a children's playground. Lippo Cikarang also has a leisure facility, the 3.4 hectare Waterboom Lippo Cikarang Balinese themed water park.

RETAIL MALLS

As of June 30, 2016, we had completed eight leased malls and eight strata-titled malls with a total gross floor area of 1,307,246 square meters. As of June 30, 2016, the average occupancy rate of the malls was approximately 88.0%. In developing retail properties, we seek to attract strong anchor retailers through which we can attract other retailers. Historically, some of our anchor retailers have been related parties including Matahari Department Store and Hypermart. Each of our retail property projects is managed by us. In December 2012, we completed the sale of two of our malls, namely Pejaten Village and Binjai Supermall, to LMIRT for a total consideration of Rp731 billion and Rp148 billion, respectively. In December 2014, we completed the sale of Lippo Mall Kemang to LMIRT for total consideration S$362 million.

The table below sets forth the revenue generated by our retail malls business unit in the periods indicated:

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Retail Malls Sales	201.8	308.1	240.5	18.2	110.8	163.8	12.4
Retail Malls Sales (Net of Final Tax)[1]	186.6	283.7	216.5	16.5	99.2	148.8	11.3
Cost of Sales	2.8	10.8	13.3	1.0	3.7	3.1	0.2
Gross Profit	199.0	272.9	203.6	15.4	95.4	145.7	11.1

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".

We opened Lippo Plaza Jogja in Yogyakarta (gross leaseable area: 63,865 square meters) in June 2015 and Lippo Mall Puri (gross leaseable area: 389,269 square meters) in June 2014.

We are currently in the process of finalizing the sale of Lippo Mall Kuta to LMIRT for a total consideration of Rp800 billion and are in advanced discussions regarding the sale of Lippo Plaza Jogja and Siloam Hospitals Jogja to LMIRT and First REIT.

PROPERTY AND PORTFOLIO MANAGEMENT

As of June 30, 2016, our property and portfolio management business unit provides property management services to 44 malls, including the nine leased malls and eight strata-titled malls in our retail business unit, with over 18,959 shops, with a total gross leasable area of 2.7 million square meters and net leasable area of 1.4 million square meters, and four Aryaduta-branded hotels owned by third parties. This business unit also has majority stakes in the REIT managers for First REIT and LMIRT.

The table below sets forth the consolidated revenue generated by our property and portfolio management business unit in the periods indicated:

	Year ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015	2015	2015	2016	2016
	Rp	Rp	Rp	US$	Rp	Rp	US$
	(Rp in billions and US$ in millions)						
Property and Portfolio Management Sales	296.8	306.0	337.3	25.6	157.5	187.7	14.2
Property and Portfolio Management Sales (Net of Final Tax)(1)	296.8	306.0	337.3	25.6	157.5	187.7	14.2
Cost of Sales(2)	119.7	14.4	17.7	1.3	8.6	7.1	0.5
Gross Profit	177.1	291.7	319.6	24.2	148.9	180.6	13.7

(1) *See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations and Financial Condition — Tax Expenses".*

(2) *Cost of Sales does not necessarily track all costs associated directly with this business unit because the Company does not fully allocate costs of sales and services to its property and portfolio management business unit.*

Currently we are in the process of renewing or extending some of the agreements with respect to our management of certain properties.

REIT Management

We provide REIT management services to First REIT through our wholly-owned subsidiary, Bowsprit Capital Corp. Ltd. In late 2007, we also established a joint venture with Mapletree Investment Pte. Ltd. of Singapore, to manage the LMIRT, a REIT with Indonesian retail assets listed on the Singapore Stock Exchange. In 2011, we acquired all of the shares in the management company. As of June 30, 2016, LMIRT owned 18 malls that we manage through a 100% owned subsidiary.

Hotel Operator

We manage nine Aryaduta-branded hotels under this business unit, four of which are owned by third parties. Details of the four hotels owned by third parties are as follows:

Hotel Aryaduta Makassar

The Hotel Aryaduta Makassar is located adjacent to our Tanjung Bunga development in Makassar, on busy Losari beach and within the central business district of Makassar. The five-star hotel features 224 rooms. The hotel opened in 1997. For the six months ended June 30, 2016, the occupancy rate at the hotel was 51.4%, with an average room rate per night of Rp599,396 (US$45.5).

Hotel Aryaduta Semanggi

The hotel in Karet Semanggi Jakarta, the Hotel Aryaduta Semanggi, is a five-star, 274 room hotel that commenced operations in 1998. For the six months ended June 30, 2016, the occupancy rate and average room rate were 67.3% and Rp864,694 (US$65.6), respectively.

Hotel Aryaduta Palembang

The 169 room Hotel Aryaduta Palembang is situated in Palembang Square, Palembang, South Sumatra. The property was developed for the province of South Sumatra and opened in 2005. For the six months ended June 30, 2016, occupancy rate was 60.3%, with an average room rate of Rp629,689 (US$47.8).

Hotel Aryaduta Bandung

Hotel Aryaduta Bandung is located in the heart of the city of Kota Bandung. The five-star hotel features 254 rooms. We took over management of the hotel in February 2016. For the six months ended June 30, 2016, occupancy rate was 40.4%, with an average room rate of Rp691,300 (US$52.5).

SALES, MARKETING AND PRICING

Urban Development and Large Scale Integrated Developments

We employ a strategy of pre-selling our properties prior to construction. Rather than relying only on traditional real estate brokers or mass media advertising, pre-selling is conducted principally by freelance marketing teams consisting of approximately 5,000 club members who work on a commission basis.

Commissions are calculated as a percentage of sales, starting at 1.5% depending on the number of properties sold. The biggest of these clubs, with approximately 4,700 members, is the Lippoland Club. Our club members participate in training courses to enable them to effectively market our properties and products. Approximately 6% of revenues from urban residential, commercial, and light industrial property sales are generated by the Lippoland Club's marketing efforts.

Our internal sales and marketing department is responsible for managing our freelance marketing teams and our other sales and marketing functions. Our sales managers and marketing managers cooperate closely to determine the appropriate advertising and sales plan for each particular development. They also work together to plan and organize efficient and orderly on-site sales presentations, conduct market research, design sales and pricing strategies, collect customer data and comments and prepare feasibility studies based on market analysis.

To highlight our new developments or products, we regularly engage in promotional activities, including advertising in the Indonesian print and broadcast media and arranging promotional events. These activities have been particularly important to the success of our commercial retail property developments. For the six months ended June 30, 2016, marketing expenses were 8.7% of our total revenues for these two business units.

Our property prices are initially set based on a number of criteria, including a property's location, the target market, the size of the property being sold, the amenities provided and general market conditions in effect at the time of pricing.

We offer three payment alternatives to our purchasers: cash sales, mortgages and installment plans. We typically offer a discount to our regular purchase price, with the amount of discount dependent on the type of payment selected by the purchaser. Our pricing options are designed to encourage cash sales and to permit us flexibility to offer discounts while maintaining targeted profit margins. Cash sales provide us with a source of financing through which we can develop necessary infrastructure or buildings without having to rely on third-party financing.

- *Cash sales*. Cash sales for which payment is made in full at closing provide our purchasers with the largest discount on the purchase price, typically 35%.

- *Mortgages*. Purchasers of our properties may choose to finance their purchases through mortgages or other bank financing. We generally offer purchasers of properties who finance their purchases a discount on the purchase price of approximately 30%. Pursuant to these mortgage arrangements, we provide guarantees to the banks over these loans until title for the land has been issued to us by the relevant agency.

- *Installment plan*. Purchasers of residential and certain commercial and retail property may elect to pay a portion of the purchase price at the time of sale, which ranges between 10% and 20%, and pay the remaining balance in equal monthly installments for up to 36 months. We generally offer such purchasers a discount on the purchase price of approximately 25%.

The table below sets forth information with respect to the various payment alternatives for certain of our developments for the six months ended June 30, 2016.

Project	Cash	Mortgage	Installment
Lippo Village			
Residential	37%	63%	—
Lippo Cikarang			
Residential	13%	24%	64%
Light industrial	—	—	100%
Commercial	100%	—	—
Tanjung Bunga	10%	45%	45%
San Diego Hills Memorial Park	91%	—	9%

Project	Cash	Mortgage	Installment
Kemang Village	100%	—	—
The St. Moritz	60%	—	40%
The St. Moritz Makassar	—	—	100%
Holland Village in Jakarta	—	—	55%
Holland Village in Manado	7%	78%	14%
Lippo Thamrin Office	—	—	—
Park View Condominium	—	—	—
Nine Residence	—	—	—
Orange County	—	—	—
Millennium Village	100%	—	100%
Monaco Bay Residence	—	72%	28%

We expect to continue to take advantage of installment sales arrangements due to the relatively limited amount of bank financing available in Indonesia and the associated high administrative costs. Our installment payment program is available to all residential purchasers and certain purchasers of light industrial properties who make the requisite down payments. We retain title to all property purchased on an installment basis until the purchase price has been paid in full. Construction on a particular property will typically begin when the amount of pre-sales can cover construction costs. If the installment purchaser does not meet its payment obligations, we are, pursuant to our standard sale and purchase contract, entitled to cancel the sales contract and re-sell the property without undergoing foreclosure proceedings. Further, we are entitled to retain a portion of any payments made prior to default.

We have experienced an insignificant number of payment defaults on our installment contracts in recent years that have resulted in recession of the sale. We believe that this favorable default history reflects in part the number of sales made to repeat customers who have a proven track record of meeting their payment obligations. We believe that the risk of forfeiture of prior payments also creates a strong incentive for installment purchasers to avoid default under their sales contracts with us. However, there can be no assurance that this pattern will continue in the future.

Retail Malls

Our sales and marketing strategies for retail malls parallel those in our urban development and large scale integrated developments business units. Advertising in the Indonesian print and broadcast media and arranging promotional events have also played an important role in the success of our retail property developments. Purchasers may also use any of the three payment alternatives we offer to our urban development and large scale integrated developments business units.

Healthcare

Our target market includes middle and upper middle income Indonesian consumers who require high quality domestic healthcare services and middle low income Indonesia consumers. Our hospitals have been marketed under the "Siloam" hospitals brand. Advertising of our medical services is somewhat constrained in Indonesia by the strict controls imposed by the Advertisement Code of Conduct. We market to insurance companies and corporations by offering medical checks and pre-employment checks. We also seek to promote our services through general practitioners who refer patients to our hospitals.

Based on the Indonesian Hospital Code of Conduct, hospitals may promote only informative marketing; such marketing may not be comparative, must be based on facts and not be excessive. The Indonesian Advertisement Code of Conduct stipulates that hospital advertising is only allowed if the hospital is presented as a business entity that offers available services and the facility and hospital may not advertise sales promotions of any kind.

Hospitality and Infrastructure

Our hotels are marketed under the Aryaduta brand. Marketing of our hotels is primarily targeted at business travelers as substantial income is also derived from the Meetings, Incentives, Conventions and Exhibitions (MICE) related activities provided at our hotels.

We utilize many different advertising channels to market our hotels including Indonesian and international print media, direct contact with domestic and international travel agents and representation and participation at travel conferences and travel industry presentations.

COMPETITION

We are subject to different competitive pressures and competitors in each of the business units in which we operate.

Urban Development and Large Scale Integrated Development

The residential and urban development property industry is very fragmented in Indonesia, with many small regional competitors. We face competition primarily from the largest property developers, including PT Ciputra Development Tbk. and PT Summarecon Agung Tbk. We also compete with PT Alam Sutera Realty Tbk. in residential development and with PT Agung Podomoro Land Tbk. and PT Pakuwon Jati Tbk. in retail mall development. We primarily compete on the location of our developments, facilities and supporting infrastructure provided, services available and pricing. We believe that our large landbank, more than half of which we have already installed infrastructure in, innovative products, reputation, proven track-record, experience and competitive customer financing options, give us a significant competitive edge in the residential portion of our urban development and large scale integrated development business units in Indonesia.

Healthcare

Our hospitals compete with other hospitals and healthcare providers both in Indonesia and internationally. Due to the fragmented nature of the healthcare industry in Indonesia, we believe that we are the leading hospital group in Indonesia and seek to benchmark our medical services against international healthcare providers. We believe our focus on delivering the highest quality medical services in Indonesia and our continued efforts to improve our services will provide us with a competitive edge in the healthcare industry.

The number and quality of doctors and nurses on a hospital's staff is an important factor to our hospitals' competitive advantage. Doctors decide whether a patient is admitted to the hospital and the procedures to be performed. We believe doctors refer patients to a hospital primarily on the basis of the quality of services it renders to patients and doctors, the quality of other doctors on the medical staff, the location of the hospital and the quality of the hospital's facilities, equipment and healthcare professionals. Admitting doctors may be on the medical staff of other hospitals in addition to those of our hospitals. We believe our unique incentive program for doctors encourages them to refer their patients to our hospitals.

Hospitality and Infrastructure

Our hotels are under intense industry competition from recognized brand hotels operating in Indonesia, including the Mandarin Oriental, Hotel Borobudur and the Sari Pan Pacific. We believe that we compete favorably with such brands.

Retail Malls

PT Ciputra Development Tbk., PT Agung Podomoro Land Tbk., PT Summarecon Agung Tbk. and PT Pakuwon Jati Tbk. are our competitors in the retail malls sector. We believe that we compare favorably with them.

Property and Portfolio Management

We do not have any competitors in the REIT/property and portfolio management services sector.

ENVIRONMENT

We focus on the installation of modern, environmentally friendly infrastructure in our townships. In Lippo Village, for example, we have created an urban forest of approximately 58,000 trees which have been individually numbered and may be computer-tracked. The Lippo Village township is also the pioneer privately managed municipality in Indonesia where residents own their own homes with potable water.

Our hospitals are subject to extensive, evolving and increasingly stringent environmental laws and regulations governing their services, processes and facilities. The various environmental laws and regulations applicable to our hospitals address, among other things, waste water discharges, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, workplace conditions and employee exposure to such substances. For example, applicable environmental and safety laws require us to segregate bio-medical wastes and to arrange for safe treatment and disposal of the same. Our urban development business unit is also required to obtain AMDAL.

Currently, we have not integrated our environmental permits into the Environmental License as required under Law No. 32 of 2009 on Environmental Protection and Management ("**Law 32/2009**"). In February 2012, the Government issued Government Regulation No. 27 of 2012 on Environmental License ("**GR No. 27/2012**"), as the implementing regulation of Law No. 32/2009, which stipulates that any environmental document which has been approved prior to the effective date, February 23, 2012 of GR No. 27/2012 shall be declared a valid document and deemed as equal to the Environmental License.

Law No. 32/2009 further stipulates that within two years after its enactment date, all businesses that have obtained business licenses but do not yet have an AMDAL document or UKL and UPL are obligated to either complete an environmental audit, if they need an AMDAL, or have an environment management document, if they need a UKL and UPL.

The Environmental Ministry oversees our compliance with environmental laws and regulations. We believe we are in compliance in all material respects with applicable environmental laws and regulations in Indonesia. See "Regulation — Environmental Regulation".

MATERIAL LICENSES

We believe that we have obtained most of the material licenses necessary for the operation of our six business units, other than as discussed below. See "Risk Factors — Our business is dependent on our ability to obtain, maintain and renew all necessary licenses and approvals".

Urban Development and Large Scale Integrated Development

We have obtained the material licenses in connection with our Urban Development and Large Scale Integrated Development business units including, among others, a *Surat Izin Usaha Perdagangan* (trade business license), location permits necessary to buy, clear and develop land, environmental licenses, building construction permits and relevant licenses from the Investment Coordination Board ("**BKPM**") for certain of our subsidiaries with PMA/PMDN status, other than construction permits for five of our urban and integrated developments, trade business license for one of our urban and integrated developments, and environmental permits for one of our urban and integrated developments, which are currently in the process of being obtained or extended.

Healthcare

We have obtained the material licenses necessary for the operation of our healthcare business unit, including operating licenses and environmental permits, other than the operating licenses for one of our hospitals, the waste disposal permit for six of our hospitals and environmental permits for one of our hospitals, which are currently in the process of being obtained, renewed or extended.

Hospitality and Infrastructure

We have obtained the material licenses necessary for our hospitality and infrastructure business unit, including the tourism business licenses required to operate and manage our hotels from the regional government (*Tanda Daftar Usaha Pariwisata* ("**TDUP**")) and from BKPM, certificates of health and safety worthiness, certificates of status as a five-star hotel, building construction permits, building utilization permits and waste disposal permits, other than the certificate of status as a five-star hotel for two of our hotels, the building utilization permit for two of our hotels and the waste disposal permit for one of our hotels, which are currently in the process of being obtained or extended.

Retail Malls

We have obtained the material licenses that are required in connection with our retail malls business unit, which include *Izin Mendirikan Bangunan* (a building construction permit), Izin Penggunaan Bangunan (a building utilization permit), environmental licenses, waste disposal permits and relevant licenses from BKPM for certain of our subsidiaries with PMA/PMDN status and *Izin Usaha Pusat Perbelanjaan* (business license for shopping centers), other than building utilization licenses for seven of our malls and waste disposal permits for seven of our malls and business licenses for shopping center for four of our malls, which are currently in the process of being obtained or extended.

Property and Portfolio Management

We have obtained material licenses in connection with our Property and Portfolio Management business unit include *Surat Izin Usaha Perdagangan* (trade business license) or relevant licenses for our Company.

TRADEMARKS

We hold or have applied for all of the trademarks we believe are necessary to run our business. The Company and certain of its subsidiaries own 273 registered trademarks and has applied for the registration of 77 trademarks with the Directorate of Intellectual Property Rights in Indonesia.

LEGAL PROCEEDINGS

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business. Some lawsuits challenge our title to land purchased or to be developed by us or actions taken by us and our subsidiaries in respect of payment defaults by purchasers of our properties and claims by former employees we terminated.

In connection with our healthcare business division, we are currently party to two medical malpractice lawsuits that have been brought by our former patients, as well as a lawsuit involving a wrongful termination claim in our healthcare business unit. On November 28, 2014, the Jambi Malpractice Claim, in which the plaintiff sought damages of Rp10.0 billion (US$0.7 million), was rejected by the Supreme Court of Indonesia on November 28, 2014, and such decision is final and binding. On August 6, 2015, the District Court of Tangerang rejected the plaintiff's lawsuit in the Lippo Village Malpractice Claim for damages totaling Rp500.9 million (US$38 million). The plaintiff subsequently appealed this decision to the High Court of Banten and the High Court of Banten rejected the appeal and affirmed the District Court decision on February 16, 2016. Subsequently on April 22, 2016, the former patient filed a cassation claim to the Supreme Court. As of the date of this Offering Circular, this lawsuit remains in process in the Supreme Court. In respect of the wrongful termination suit against Siloam Hospitals Kebon Jeruk, a group of physicians who were former employees claimed damages amounting to Rp73 billion (US$5.5 million). On September 13, 2011, the Supreme Court of Indonesia rejected an appeal from the physician group and on February 6, 2015, the physician group requested a judicial review to the Supreme Court of Indonesia. As of the date of this Offering Circular, this lawsuit is still being processed in the Supreme Court of Indonesia.

Such claims and in particular the medical malpractice claims, constitute a general risk that may arise in connection with the operation of any health-care business. The results of these claims and legal proceedings cannot be predicted and it is possible that the ultimate resolution of these claims and legal proceedings, individually, or in the aggregate, could have a material adverse effect on our business (both in the near and long-term), liquidity, financial position and results of operations.

Under Indonesian law, damages awarded by courts should represent only the actual damages that a person has suffered. Indonesian law and Indonesian courts are conservative in the amount of damages awarded as compared to the United States. However, this conservative judicial and legislative attitude could change in favor of awarding higher levels of damages. We do not maintain any professional or general liability insurance in connection with our healthcare business unit.

Currently, there are no material pending claims and legal proceedings that are not in the ordinary course of business. We undertake no obligation to update this disclosure for any new developments.

We are involved in legal proceedings in connection with certain of our land ownership rights in Lippo Village. We do not believe these legal proceedings will affect or threaten our ownership rights in the land on which our Lippo Village is built. Our subsidiary, GMTD, is involved in various legal proceedings in connection with certain undeveloped land located at Tanjung Bunga. Most of the cases involving GMTD are currently being reviewed by the Supreme Court. We have successfully defended most of the proceedings from the district courts up to the Supreme Court. While we do not believe that these legal proceedings involving GMTD are material as the various land parcels in dispute are not strategic in nature, the development of the sites could be delayed as a result of the proceedings.

In addition to the description above, see also note 45 to our consolidated financial statements included in this Offering Circular for further details.

EMPLOYEES, TRAINING AND LABOR

As of June 30, 2016, we directly employed 14,422 people. The following table sets forth the breakdown of our employees by business unit as of June 30, 2016:

Business unit	Number of Employees[(1)]
Urban Development	606
Large Scale Integrated Development	471
Healthcare	9,900
Hospitality and Infrastructure	2,222
Retail Malls	1,103
Property Portfolio Management	120
Total	14,422

(1) Includes permanent and temporary employees.

Our hospitals are staffed by licensed doctors who are admitted to the medical staff of individual hospitals. Doctors generally are not employees of our hospitals.

We provide significant training programs for our employees. At the Company level, we provide programs on leadership and customer service. Within each business unit, we also offer training programs tailored to that business unit. Many of our programs are designed to give our employees an international perspective and to ensure that we minimize the effect of turnover by preparing each employee to assume greater responsibility. In our urban development and our large scale integrated development business units, we regularly engage offshore consultancy firms. We engage foreign doctors to consult at our hospitals and have established links with a number of international institutions including in Singapore and Australia. We have also provided international training in Singapore and the Philippines for employees of our hotels.

We believe our relationship with our employees is strong. As of June 30, 2016, none of our employees are unionized.

We seek to maximize workplace safety in all of our operations through the engagement of reputable contractors, to ensure the implementation of industrial health and safety standards that are in compliance with applicable laws and regulations.

INSURANCE

We believe that our properties are covered by property all risks insurance (which also covers the business interruption risk for our hospitals and hotels) provided by a reputable company and with commercially reasonable terms. We are in the process of renewing and extending certain of our insurance policies with our insurance provider. Additionally, title insurance with respect to our properties and medical liability insurance for our medical facilities are not available in Indonesia.

DESCRIPTION OF INDEBTEDNESS

As of December 31, 2013, 2014 and 2015, we had consolidated indebtedness totaling Rp7,807.5 billion, Rp9,997.1 billion and Rp12,365.2 billion (US$896.4 million), respectively. As of June 30, 2016, we had consolidated indebtedness totaling Rp12,573.1 billion (US$953.9 million).

The following table describes our primary consolidated indebtedness as of the dates described below. In addition to the description below, see also notes 19, 21 and 22 to our consolidated financial statements for the six months ended and as of June 30, 2016 attached hereto.

No.	Description of Indebtedness[(1)]	Borrower	Lender	Original Principal Amount	Maturity	Amount Outstanding (as of June 30, 2016)	
				(Rp billions and US$ millions)		(Rp billions)	(US$ millions)
1	7.0% Senior Notes due 2019	Theta Capital Pte. Ltd.	Bondholders	US$250.0	May 16, 2019	3,295.0[(2)]	250.0[(2)]
2	6.125% Senior Notes due 2020	Theta Capital Pte. Ltd.	Bondholders	US$403.3	November 14, 2020	5,315.5	403.3
3	7.0% Senior Notes due 2022	Theta Capital Pte. Ltd.	Bondholders	US$150.0	April 11,2022	1,977.0	150.0
4	Net unamortized premium and issuance costs	—	—	—	—	(176.4)	(13.4)
5	Credit Agreement dated February 25, 2008 and amended on August 20, 2010	PT Balikpapan Damai Husada	Bank Pembangunan Daerah Kalimantan Timur	Rp42.2	February 25, 2019	20.8	1.6
6	Credit Agreement, dated April 1, 2003 and last amended May 11, 2016	PT Golden First Atlanta	PT Bank Central Asia Tbk	Rp32.4	December 20, 2016	3.2	0.2
				Rp5.0	May 5, 2017	2.9	0.2
7	Two Credit Agreements dated October 30, 2006 and March 29, 2007, respectively, and both last amended June 9, 2016	PT Lippo Karawaci Tbk	PT Bank Negara Indonesia (Persero) Tbk	Rp270.0	June 12, 2017	270.0	20.5
8	Credit Agreement dated October 25, 2010 and amended on October 16, 2015	PT Lippo Karawaci Tbk	PT Bank ICBC Indonesia	Rp70.0	October 25, 2016	70.0	5.3
9	Credit Agreement dated October 25, 2010 and last amended and restated on November 30, 2015	PT Lippo Cikarang Tbk	PT Bank ICBC Indonesia				
	- Tranche A			Rp30.0	October 25, 2016	Nil	Nil
	- Tranche B			Rp185.0	November 30, 2016	Nil	Nil
10	Credit Agreement dated April 23, 2015 and amended on January 22, 2016	PT Gowa Makassar Tourism Development Tbk	PT Bank Mandiri Tbk	Rp200.0	January 21, 2017	70.0	5.3
11	Credit Agreement dated August 18, 2015	PT Pamor Paramita Utama	PT Bank CIMB Niaga Tbk	Rp300.0	August 25, 2022	287.5[(3)]	21.8[(3)]
				Rp150.0	84 months from drawdown	Nil	Nil
12	Credit Agreement dated October 28, 2015	PT Asiatic Sejahtera Finance	PT Bank JTRUST Tbk	Rp240.0	April 30, 2023	237.6	18.0
13	Credit Agreement dated October 30, 2015, as amended on December 7, 2015	PT Mandiri Cipta Gemilang	PT Bank Mega Tbk	Rp1,200.0	October 30, 2016	1,200.0[(4)]	91.0[(4)]
14	Credit Agreement dated July 15, 2016[(3)]	PT Lippo Karawaci Tbk	PT Bank Mega Tbk	Rp800.0	July 15, 2017	Nil[(5)]	Nil[(5)]
15	Credit Agreement dated July 18, 2016[(3)]	PT Lippo Karawaci Tbk	PT Bank CIMB Niaga Tbk	US$115.0			
	- Term Loan Facility		UBS AG, Singapore Branch		April 30, 2019	Nil[(6)]	Nil[(6)]
	- Working Capital Facility		Deutsche Bank AG, Singapore Branch		12 months from drawdown	Nil[(7)]	Nil[(7)]
Total Indebtedness						12,573.1	953.9

(1) *Items 6-9, 11,and 12 are working capital facilities, item 3,10 and 14 are term facilities, and item 5 is divided into a Rp5 billion working capital facility and a Rp32.4 billion term facility and item 10 is divided into special transaction facility with two tranches, for an amount of Rp300 billion and Rp150 billion, respectively.*

(2) *In September 2016, we redeemed the outstanding amount of the 7.0% Senior Notes due 2019.*

(3) *Additional borrowings have been used since June 30, 2016 in the amount of Rp24.9 billion (US$1.9 million).*

(4) *In September 2016, we repaid the outstanding amount under this loan.*

(5) *In September 2016, this facility was terminated.*

(6) *Additional borrowings have been made since June 30, 2016 in the amount of Rp649.9 billion (US$49.3 million).*

(7) *Additional borrowings have been made since June 30, 2016 in the amount of Rp649.9 billion (US$49.3 million).*

Below are brief descriptions of the indebtedness listed in the table above.

2019 Notes: 7.0% Senior Notes due 2019

On May 16, 2012, the Issuer issued US$150,000,000 7.0% Senior Notes due 2019, which are guaranteed by us and certain of our subsidiaries. The Issuer conducted a further issuance of US$100,000,000 7.0% Senior Notes due 2019 on October 22, 2012. These notes were consolidated to form a single series with the Initial 2019 Notes. We redeemed the outstanding amount of US$250,000,000 7.0% Senior Notes due 2019 on September 9, 2016.

2020 Notes: 6.125% Senior Notes due 2020

On November 14, 2012, the Issuer issued US$273,306,000 6.125% Senior Notes due 2020, which are guaranteed by us and certain of our subsidiaries. The Issuer conducted a further issuance of US$130,000,000 6.125% Senior Notes due 2020 on January 14, 2013. These notes were consolidated to form a single series with the Initial 2020 Notes.

2022 Notes: 7.0% Senior Notes due 2022

On April 11, 2014, the Issuer issued US$150,000,000 7.0% Senior Notes due 2022, which are guaranteed by us and certain of our subsidiaries. The Issuer conducted a further issuance of US$260,000,000 7.0% Senior Notes due 2020 on August 10, 2016. These notes were consolidated to form a single series with the Initial 2022 Notes.

Investment Credit Facilities

Credit Agreement dated February 25, 2008 and amended on August 20, 2010

Our subsidiary, PT Balikpapan Damai Husada, is the borrower under the Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008, dated February 25, 2008, last amended under the Addendum No. 028/PK-005/KJ.59/ 2010 dated August 20, 2010. Under the facility, PT Balikpapan Damai Husada may borrow up to Rp50.0 billion from Bank Pembangunan Daerah Kalimantan Timur, though, under the terms of the facility, following the initial drawdown under the facility, the undrawn portion lapsed. The amount bears interest at 11.5% annually and matures on February 25, 2019. The terms of the credit agreement contain customary negative and affirmative covenants and grant to the lender a first priority security interest in certain of our subsidiary's and third party's properties.

Credit Agreement dated August 18, 2015

Our subsidiary, PT Pamor Paramita Utama, is the borrower under the Credit Agreement No. 23, dated August 18, 2015. Under the facility, PT Pamor Paramita Utama may borrow up to Rp450.0 billion from PT. Bank CIMB Niaga Tbk in two tranches, Rp300.0 billion ("**Tranche A**") and Rp150.0 billion ("**Tranche B**"). As of June 30, 2016, Rp287.5 billion was outstanding under the Tranche A facility and the Tranche B facility was undrawn. The amount under the facility bears interest at 11% annually. The Tranche A facility matures on August 25, 2022 and the Tranche B facility will mature 84 months from drawdown. The credit agreement contains customary negative and affirmative covenants. The loan is secured by land owned by PT Pamor Paramita Utama as well as a fiducia security over insurance proceeds and an assignment of banks accounts held at PT Bank CIMB Niaga Tbk. On July 26, 2016, Rp28.6 billion was drawn under Tranche B.

Credit Agreement dated October 28, 2015

Our subsidiary, PT Asiatic Sejahtera Finance, is the borrower under the Credit Agreement No. 21, dated October 28, 2015. Under the credit agreement, PT Asiatic Sejahtera Finance may borrow up to Rp240.0 billion from PT. Bank JTRUST Indonesia Tbk. As of June 30, 2016, Rp237.6 billion was outstanding under the facility, bearing interest at 13% annually. The credit facility matures on April 30, 2023.

Working Capital Facilities

Credit Agreement dated April 1, 2003 and last amended on May 11, 2016

Our subsidiary, PT Golden First Atlanta is the borrower under the Deed of Credit Agreement No. 1 dated April 1, 2003 and last amended on May 11, 2016. Under the facility, PT Golden First Atlanta may borrow up to Rp5.0 billion of local current account credit facility and Rp32.4 billion for investment credit from PT Bank Central Asia Tbk. The amount bears interest at 12.5% annually. The Rp5.0 billion loan matures on May 5, 2017 and the Rp32.4 billion loan matures on December 20, 2016. The terms of credit agreement contain customary negative and affirmative covenants and grant to the lender a first priority security interest in certain of our subsidiary's properties. Under the credit agreement, PT Golden First Atlanta is required to maintain a maximum debt to equity ratio of 2.2x. The loan is secured by several plots of land owned by PT Golden First Atlanta, including machinery, medical equipment, furniture, office equipment, trade receivables and inventory.

Two Credit Agreements dated October 30, 2006 and March 29, 2007, and last amended on June 9, 2016

We are the borrower under the Deed of Credit Agreement No. 34 ("Deed No. 34") and 44 ("Deed No. 44"), dated October 30, 2006 and March 29, 2007, respectively, as last amended on June 9, 2016 under Amendment Deed No. (11) 34 and Amendment Deed No. (10)44, respectively. Under the facility we may borrow up to Rp270 billion from BNI, consisting of Rp250 billion under Deed No. 34 and Rp20 billion under Deed No. 44. Each loan bears interest at 11.50% annually and matures on June 12, 2017. The terms of the credit agreements contain customary negative and affirmative covenants. The facility is secured by several plots of land owned by the Company.

Credit Agreement dated October 25, 2012 and last amended on October 16, 2015

We are the borrower under the Deed of Credit Agreement No. 85, dated October 25, 2012, as last amended under the Agreement to the Extension of Credit Agreement No. 143/ICBC-MK/PTD/X/2011/P5 dated October 16, 2015. Under the facility, we may borrow up to Rp70.0 billion from PT Bank ICBC Indonesia. The amount bears interest at 12.0% annually and matures on October 25, 2016. The terms of the credit agreement contain customary negative and affirmative covenants and grant to the lender a first priority security interest in certain of our subsidiaries' properties. The facility is secured by several plots of land owned by PT Waska Sentana.

Credit Agreement dated October 25, 2010 and last amended on November 30, 2015

Our subsidiary, PT Lippo Cikarang Tbk, is the borrower under the Deed of Credit Agreement No. 86, dated October 25, 2010, as amended under the Agreement to the Extension of Credit Agreement No. 144/ICBC-MK/PTD1/X/2011/P5 dated November 4, 2015 and Deed of Amendment and Restatement No. 98 dated November 30, 2015. Under the facility, PT Lippo Cikarang Tbk may borrow under two tranches of Rp30.0 billion ("**Tranche 1**") and Rp185.0 billion ("**Tranche 2**"). The amounts bear interest at 12.0% annually and Tranche 1 matures on October 25, 2016 and Tranche 2 matures on November 30, 2016. The credit agreements contain customary negative and affirmative covenants. The facility is secured by a plot of land owned by PT Waska Sentana.

Credit Agreement dated April 23, 2015, as amended on January 22, 2016

Our subsidiary, PT Gowa Makassar Tourism Development Tbk, is the borrower under the Deed of Credit Agreement No. 05, dated April 23, 2015, as amended on January 22, 2016. Under the facility, PT Gowa Makassar Tourism Development Tbk may borrow up to Rp200.0 billion. The amount bears interest at 12% annually. The loan matures on January 21, 2017. The credit agreement contains customary negative and affirmative covenants. The loan is secured by several plots of land owned by, and trade receivables and inventory of, PT Gowa Makassar Tourism Development Tbk.

Credit Agreement dated October 30, 2015 and amended on December 7, 2015

Our subsidiary, PT Mandiri Cipta Gemilang, is the borrower under the Deed of Credit Agreement No. 135 with PT Bank Mega Tbk, dated October 30, 2015, as last amended under the Deed of Amendment of Credit Agreement No. 24, dated December 7, 2015. Under the facility, PT Mandiri Cipta Gemilang ("MCG") may borrow up to Rp1,200 billion. The amount bears interest at 14.5% annually and matures on October 30, 2016. The Credit Agreement contains customary negative and affirmative covenants. On September 26, 2016, this facility was repaid in full.

Credit Agreement dated July 18, 2016

We are the borrower under a credit agreement for an amount up to US$115,000,000 with Deutsche Bank AG, Singapore Branch, UBS AG, Singapore Branch and PT Bank CIMB Niaga Tbk. The credit agreement consists of a term loan facility and a working capital facility. The facility bears interest at a rate of 5.25% plus LIBOR. The term loan facility matures on April 30, 2019 and the working capital facility matures 12 months after the initial utilization date of such facility. The facility is secured by 2 plots of land owned by us. On September 26, 2016, Rp649.9 billion was drawn under the term loan facility and Rp649.9 billion was drawn under the working capital facility.

RELATED PARTY TRANSACTIONS

Our material related party transactions consist of intercompany advances, loans, placement in accounts, insurance, deferred income and revenue. All of our related party transactions are conducted on an arms-length basis.

Transactions with PT Matahari Putra Prima Tbk.

For the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2016, we received revenues of Rp15.6 billion, Rp31.8 billion and Rp19.5 billion (US$1.5 million) and Rp11.7 billion (US$0.9 million), respectively, from our affiliate, PT Matahari Putra Prima Tbk. ("**Matahari**"), relating to revenue from rental malls.

In 2007, our subsidiary, PT Direct Power ("**DP**") entered into a lease agreement with our affiliate, Matahari. Under the lease agreement, DP rented to Matahari a total area of 9,205 square meters to be used for department store space and Matahari has paid Rp31,980 per square meter per month or the aggregate amount of Rp88.3 billion for twenty five years.

In 2008, our subsidiary, MCG entered into lease agreements with our affiliate, Matahari. Under the lease agreement, MCG rented to Matahari a total area of 10,898 square meters and 24,859 square meters to be used for department store spaces and Matahari has paid Rp74,870 per square meter per month and Rp54,350 per square meter per month or the aggregate amount of Rp97.9 billion for ten years and Rp324.3 billion for twenty years, respectively.

Transactions between PT Almaron Perkasa with PT First Media Tbk.

In 2009, our subsidiary, PT Almaron Perkasa ("**AP**"), entered into a lease agreement for a telecommunications line with our affiliate, PT First Media Tbk. ("**FM**"). Under the agreement, AP subscribes for a telecommunication connection through a fiber optic network from FM. Pursuant to this agreement, AP shall pay FM an installation fee amounting to Rp15.0 million and a monthly fee amounting to Rp10.0 million. The agreement is valid for 24 months as of the acceptance date and will be automatically renewed for an additional 12 months if no termination notice is delivered at the latest two months prior to its expiry date. On May 4, 2011, the agreement was novated to PT LinkNet, a subsidiary of FM.

In addition, for the six months ended June 30, 2016, we had a number of other transactions with related parties. See Note 10 to our consolidated financial statements contained elsewhere in this Offering Circular.

MANAGEMENT

In accordance with Indonesian law, we have both a board of commissioners and a board of directors. The two boards are separate and no individual may serve as a member on both boards.

The rights and obligations of each member of the Board of Commissioners and Board of Directors are regulated by our articles of association (the "Articles"), Law No. 40 of 2007 on Limited Liability Companies, Bapepam-LK and OJK regulations and IDX regulations, and by the decisions of our shareholders in general meetings of shareholders. Under the Articles, the Board of Directors must consist of at least three members including a President Director, Vice President Director and one or more Directors. Any two Directors acting together can legally bind us. The Board of Commissioners must have at least three members: a President Commissioner, Vice President Commissioner and one or more Commissioners. All members of the Board of Commissioners, acting together, are entitled to act for and on behalf of the Board of Commissioners.

BOARD OF COMMISSIONERS

The principal function of the board of commissioners is to supervise and give advice to the board of directors. Members of the board of commissioners are appointed and removed by a general meeting of shareholders.

Currently, the board of commissioners is comprised of six members.

As of June 30, 2016 the members of the board of commissioners were as follows:

Name	Position	Age	Position Held Since
Theo L. Sambuaga	President Commissioner	66	2004
Surjadi Soedirdja	Vice President Commissioner and Independent Commissioner	77	2004
Agum Gumelar	Independent Commissioner	70	2005
Tarni Abeng[(1)]	Independent Commissioner	73	2004
Farid Harianto	Independent Commissioner	63	2004
Prof. Dr. Muladi, SH	Independent Commissioner	72	2013
Sutiyoso	Independent Commissioner	71	2014

(1) Resigned since June 30, 2016.

Theo L. Sambuaga is the President Commissioner of the Company, having been appointed in May 2010 and was previously an independent commissioner since June 2004. Mr. Sambuaga is currently a member of the Indonesian parliament. He was appointed to the position of Indonesian Labor Minister in 1998 and State Minister of Housing and Urban Development between 1998 and 1999. He obtained a Bachelors degree from the Faculty of Social and Political Sciences of the University of Indonesia and his Masters Degree from the School of International Studies of John Hopkins University in Washington, DC.

Surjadi Soedirdja is the vice president commissioner of the Company, having been appointed in June 2004. Since 2002, Mr. Soedirdja has been acting as an advisor to the board of directors of PT Krakatau Steel. He is a retired general of the Indonesian Army having been appointed to the Board of Directors in 2000. In 1998, he held the position of president commissioner of PT Krakatau Steel. He was appointed the Indonesian Interior Minister and head of the National Land Agency in 1999. In 1992, he was appointed the Governor of Jakarta, a position he held until 1997.

Agum Gumelar is an independent commissioner of the Company, having been appointed in 2005. Mr. Gumelar is a decorated Armed Forces general, with over 30 years of experience in managing large-scale organizations and complex operations. Upon his retirement from the Indonesian military in 1998, he was appointed as Minister of Transportation and Telecommunications and Coordinating Minister for Political Affairs, during which period he gained a strong reputation for developing and implementing national policies in the sectors of infrastructure, transportation and national security. In addition, Mr. Gumelar maintains a keen interest in sports and traditional art, which led him to be appointed as Chairman of KONI (*Komite Olahraga Nasional Indonesia*/Indonesian National Sports Committee). He is also a Patron of Srimulat (a traditional theater group).

Tanri Abeng is a commissioner of the Company, having been appointed in June 2004. Since 1971, Mr. Abeng has held several senior executive positions in various multinational companies. He was finance and marketing director of PT Union Carbide Indonesia; CEO of PT Multi Bintang Indonesia; and president commissioner and commissioner of PT Multi Bintang Indonesia, PT British American Tobacco Indonesia, Mitratel Indonesia, PT Sepatu Bata and PT Bursa Efek Jakarta. His former positions, among others, are as Commissioner of the Jakarta Stock Exchange, Minister of State-Owned Enterprises and member of the People's Consultative Assembly. Currently he is the chairman of the Executive Center for Global Leadership, co-chairman of the Indonesia-Malaysia Business Council, a member of the Non-aligned Movement Business Council and the president commissioner of PT Telkom Indonesia Tbk. He obtained his Masters of Business Administration from the State University of New York and thereafter completed an advanced management program from the Claremont Graduate School in Los Angeles. Mr. Abeng has resigned from the Board of Commissioners based on a resignation letter dated August 11, 2016. Such resignation was approved by the Extraordinary General Meeting of Shareholders held on August 31, 2016.

Farid Harianto is an independent commissioner of the Company, having been appointed in June 2004. For over 15 years, Mr. Harianto acted as an independent consultant in the fields of finance and business development. In November 2008, he was appointed as advisor to the board of governors of Indonesian Central Bank. He is currently a Commissioner of PT Unggul Indah Cahaya Tbk. He was the president director of PT Pemeringkatan Efek Indonesia between 1995 and 1998. He was vice chairman of the Indonesian Banking and Restructuring Agency from 1998 to 2000. He obtained his Bachelors Degree in electrical engineering from the Bandung Institute of Technology and in 1987 and 1989 obtained his Masters Degree in Applied Economics and his PhD from the Wharton School of the University of Pennsylvania, USA.

Prof. Dr. Muladi, ***SH*** is a commissioner of the Company, having been appointed to this role in 2013. Prof. Dr. Muladi served as the Minister of Justice and Secretary of the State at the Development Reform Cabinet and was concurrently Minister of the State Secretariat at the Development Reform Cabinet. Before serving as minister, he was the Rector of Diponegoro University. Since 1999, he has been serving as the Chairman of the Institute for Democracy and Human Rights at The Habibie Center, Jakarta. Prof. Dr. Muladi was appointed as the Head of National Defense Institute on August 30, 2005. He graduated from the Faculty of Law, Diponegoro University in 1968 and earned his Doctoral Degree in Legal Studies *cum laude* from the Graduate Program in the Faculty of Law, University of Padjadjaran in Bandung, in 1984.

Sutiyoso is an independent commissioner of the Company, having been appointed in 2014. Mr. Sutiyoso has extensive experience and knowledge of urban development. Mr. Sutiyoso previously served as a Governor of Jakarta for the period of 1997-2007. Prior to his political career, Mr. Sutiyoso, had a very distinguished career in the Indonesian Armed Forces, retiring with the rank of Lieutenant General.

BOARD OF DIRECTORS

Members of the board of directors are appointed and removed by shareholder vote at a general meeting of shareholders. The board of directors is comprised of eight directors. The board of directors is responsible for the management of our business.

As of June 30, 2016 the members of the board of directors were as follows:

Name	Position	Age	Year Appointed
Ketut Budi Wijaya	President Director	60	2006
Tjokro Libianto	Director	56	1992
Jenny Kuistono	Independent Director	53	2012
Alwi Sjaaf	Independent Director	55	2015
Johanes Jany	Director	49	2015
Rahmawaty[(1)]	Director	51	2013
Lee Heok Seng	Director	53	2016
Chan Chee Meng	Director	55	2016
Richard Setiadi	Director	46	2016

(1) Resigned since June 30, 2016.

Ketut Budi Wijaya is the President Director of the Company, having been appointed in 2010 and has served as a director since 2006. He concurrently serves as an independent commissioner of PT Multipolar Tbk. Mr. Wijaya started his career at PT Bridgestone Tire Indonesia. He became an auditor and joined the public accounting firm Darmawan & Co. He also worked with Lippo Bank from 1987 to 1990. Prior to joining PT Lippo Karawaci Tbk, he was director of PT Matahari Putra Prima Tbk. And PT Multipolar Corporation Tbk. He graduated from Akademi Akuntansi Indonesia and Sekolah Tinggi Ekonomi Indonesia majoring in accounting.

Tjokro Libianto is a director of the Company, having been appointed in 1992. Mr. Libianto joined one of our affiliates in 1990, having previously worked as an account officer for PT Tifa Finance and PT Tifa Securities (1998 to 1990) and as finance and administration manager of DSU Jakarta from 1984 to 1988. He obtained his Bachelors Degree in Accounting from Universitas Brawijaya in Malang.

Jenny Kuistono is an independent director of the Company having been appointed in 2012. Prior to her appointment as director, she served as the Corporate Secretary of Lippo Karawaci since 2004. She served as the President Director and Commissioner of PT Sharestar Indonesia, General Manager PT Jasa Century Permai Nusantara (JCPenny) and Director of PT Multipolar Tbk until 2004. Mrs. Kuistono was also the Director of PT Multifiling Mitra Indonesia Tbk. She graduated with a Bachelors Degree in Electronic Engineering from Trisakti University, Jakarta.

Alwi Sjaaf is an independent director of the Company having been appointed in 2015. Mr. Sjaaf has more than 30 years' experience in architectural and interior design projects, including residential properties, apartments, offices and training centers. Prior to his appointment as a director, Mr. Sjaaf worked in research & development for Driade & Allesi Furniture. He is also a contributor to several architecture magazines. Mr. Sjaaf graduated from Technische Fachhoschscule, Berlin, Germany in 1984.

Johanes Jany is a director of the Company having been appointed in 2015. Prior to his appointment as a director, Mr. Jany, held various positions in the Lippo Group including President Director of Time Zone, Director of Real Estate & Store Planning for PT Matahari Putra Prima Tbk. and CEO of PT Lippo Malls Indonesia. He obtained his Bachelors of Accounting from University of North Sumatera, Medan.

Rahmawaty is a director of the Company having been appointed in 2013. Ms. Rahmawaty started her career as an auditor in 1987 at Prasetio, Utomo & Co. where she worked up to 1996. She served as Director of PT Lippo Land Development Tbk from 1996 to 1999 and Commissioner of PT Lippo Cikarang Tbk and Director of PT Lippo Karawaci Tbk. from 1997 to 1999. She was appointed as Vice President Director of Lippo Bank on January 24, 2002, having previously served as Director since 1999. She graduated from the Faculty of Economics, Trisakti University in 1988. Ms. Rahmawaty has resigned from the Board of Directors based on a resignation letter dated August 1, 2016. Such resignation was approved by the Extraordinary General Meeting of Shareholders held on August 31, 2016.

Lee Heok Seng is a director of the Company having been appointed in 2016 and has over 20 years of banking experience, largely with international financial institutions specializing in business development, structuring and risk management. He previously served as Managing Director & Chief Risk Officer of PT Bank Lippo Tbk and prior to joining the Company, he was appointed Vice Dean of Business School at University Pelita Harapan (UPH). He currently serves on the executive committee of the Board at National University of Singapore Business School.

Chan Chee Meng is a director of the Company having been appointed in 2016. Mr. Meng served as Senior Executive Lippo Homes since 2015. He began his career in 1980 with Othman Hew & Co as a Senior Auditor, and with Azman, Wong Salleh & Co from 1985 to 1988. He also served as Group Accountant/Finance Manager with Jacks International Ltd./Williams Jacks & Co (1989) and Finance Manager at Nam Fatt Berhad (1990-1992). From 1992 until 2002, he worked with Amanah Capital Partners Berhad as Director, Finance & Information Technology Group, and as Director, Property Division. Subsequently, he served as Chief Executive Officer at Kuala Lumpur Central (2002-2008), Executive Director at Guocoland (M) Bhd (2008-2010), Head of Property at Fitters Diversified Bhd (2011-2012), and Executive Director at Tanco Holdings Bhd (2012-2015). He graduated from The Malaysian Institution of Certified Public Accountants in 1986 and the Chartered Institute of Management Accountants (1988).

Richard Setiadi is a director of the Company having been appointed in 2016. Mr. Setiadi is a graduate from the University of Atma Jaya Jogjakarta majoring in Accounting, and started his career as an Auditor in Arthur Andersen Public Accountant Firm in 1994, he conducted audits for several leading companies such as:

PT Telekomunikasi Indonesia Tbk, PT Great Giant Pineapple and PT Matahari Putra Prima Tbk. He has been an external auditor for PT Matahari Putra Prima Tbk. since 1993. He joined the Company in 2001 as head of Finance Accounting PT Matahari Putra Prima Tbk. During his career with the Company, he has held several positions, including with Matahari Department Store (MDS) and Matahari Food Business (MFB), and in 2003, he was appointed as Chief Financial Officer (CFO) of Matahari Food Business (MFB). He also served as Director of PT Matahari Putra Prima Tbk.(2012), PT Siloam International Hospitals Tbk (2015), PT Multipolar Tbk (2013) and Commissioner of PT First Media Tbk (2015).

SENIOR MANAGEMENT

As of June 30, 2016 the members of senior management were as follows:

Name	Office/Division	Age	Position Held Since
Mark Wong	Senior Executive	69	2008
MC Loh	Senior Executive	63	2007
Susanto	Senior Executive	46	2000
Norita Alex	Senior Executive	51	2005
Romeo F Lledo	Senior Executive	60	2010
Dr. Grace Frelita Indradjaja	Senior Executive	58	2008
Ivan S. Budiono	Senior Executive	57	2011
Hong Kah Jin	Senior Executive	40	2013
Edward Ng	Senior Executive	47	2015
Anthony Ross	Senior Executive	51	2016

Mark Wong is a senior executive of the Company, joining Lippo Karawaci as Investor Relations Director in 2008. He was a Country Representative for the one of the top five Singapore banks in Indonesia in the 1970s. He was involved in the ADB study which resulted in the establishment of the Indonesian capital markets and help co-found two securities companies. He helped create the AMVI (Asosiasi Modal Ventura Indonesia) and later facilitated its founding role in APVCA (Asia Pacific Venture Capital Alliance) in which he held board positions. Prior to joining Lippo Karawaci he was involved in merger & acquisition and financial advisory transactions at PT AseanOne. He has held board positions in the International Business Chamber and the Singapore Chamber of Commerce, which he co-founded. He graduated with a Honors Degree in Business Administration from the University of Singapore and an Advanced Bank Management for Overseas Bankers certificate from the University of Pennsylvania, USA.

MC Loh is a senior executive of the Company, joining Lippo Cikarang as President Director in 2007. He began his professional career in 1981 as Senior Project Manager, then as Executive Director at Pembinaan Desakota Sdn. Bhd. in Malaysia. In 1989, he moved to the United States and became a partner in Uni Con Development and then President of Euston Development Corporation/Monfric Construction Inc. Returning to Asia in 1995, he oversaw the construction of two large coal power plants in China. As Senior Vice President of Ascendas — A JTC Company, he was involved in the complete development of large industrial parks in Vietnam and The Philippines during the Asian financial crisis. As General Manager for Tan Chong Motor Holdings Berhad, he completed the construction of a Nissan Car Assembly plant in Malaysia. He obtained a Bachelors of Science Degree in Civil Engineering from the National Taiwan University in 1976.

Susanto has more than 20 years of experience in finance and accounting. He began his career with Prasetio, Utomo & Co. Arthur Andersen, Public Accounting Firm in 1992 with his last position as Andersen Worldwide Manager. He joined Lippo Karawaci in 2000 as the Head of the Finance and Accounting Division. He has served as Accounting Director at PT Lippo Karawaci since 2004 until present. From 2001 until 2010, and in 2014, he served as finance director of Lippo Cikarang. Mr. Susanto earned his Bachelors Degree in Accounting from Sekolah Tinggi Ilmu Ekonomi "YAI" in 1992.

Norita Alex has almost 30 years of experience. She began her career in 1986 at Credit Administration Bank of Trade in Los Angeles and has spent the last 17 years at PT Lippo Bank Tbk, most recently as HR Group Head. Ms. Norita has held several positions at the Lippo Group, including Corporate HR Director, Marketing Director of Lippo Village and Talent Admin Director. She earned her degree in Accounting from Sydney Technical College.

Romeo F. Lledo has 24 years of professional experience in Commerce and Industry Management and 11 years of professional experience as a Certified Public Accountant. He began his professional career in 1977 as an auditor at SyCip, Gorres, Velayo & Co. (SGV & Co./Member of Ernst & Young) then served as General Manager and Chief Operating Officer at Nonwoven Fabric Philippines, Inc. from 1988 to 1992. He moved to Indonesia and worked for The Salim Group from 1992 to April 1999 as Chief of Internal Auditor, PT Indosiar Visual Mandiri (INDOSIAR) from 1994 to 1997 as Controller and Finance Management Advisor, PT Matahari Lintas Cakrawala (INDOVISION) from 1997 to 2001 as Chief Financial Officer and Director, and PT Datakom Asia in 2001 as Director and Chief Operating Officer. He also currently serves as a Steering Committee member and advisor at PT Sarana Tani Indonesia, President Commissioner at PT Unggul Indah Cahaya Tbk, Managing Director at PT Indonox Mitra Pratama and President Director at both PT Inti Everspring Indonesia and PT Mitra Kreasidharma. He became a Certified Public Accountant in the Philippines in and earned a degree from the Management Development Program (MDP) at the Asian Institute of Management, Philippines. Mr. Lledo has also received many internationally recognized accounting and management awards for his work in the Philippines.

Dr. Grace Frelita Indradjaja, MM, is a senior executive of the Company, currently serving as the Director of PT Siloam International Hospitals. She has over 25 years of experience in healthcare services development in Indonesia. She previously served as a physician in Dharma Jaya Hospital (1986-1989), Community Health Center “Keluarga Mulia” Jakarta (1989-1991), and Ongkomulyo Hospital, Jakarta. She joined Siloam Karawaci Hospital in 1995 and served in various positions as Clinical & Ancillary Services Administrator, Chief Operating Officer (1998) and Chief Executive Officer (2001). Dr. Frelita is the Chairman of the International Accreditation Division with the Indonesian Hospitals Association (*Persatuan Rumah Sakit Seluruh Indonesia*), the Vice Chairman of Strategic Healthcare Committee and on the committee for the Indonesian Doctors Association (*Ikatan Dokter Indonesia*). She holds a Masters Degree in Management, majoring in Hospital Administration from the University of Esa Unggul, Indonesia and a Medical degree from the Catholic University of Atmajaya, Indonesia.

Ivan S. Budiono began his career working with PT Bank Lippo Tbk where he has held in various positions, including Regional Head, Head of Branch Group, Head of Central credit and as a member of the Board of Directors (1987-2004). He also served as President Director/CEO of PT Lippo General Insurance Tbk (2005-2011), and Director at PT Lippo Karawaci Tbk (2011-2012). Currently, Mr. Budiono serves as CEO of Lippo Homes. He obtained a Bachelors Degree in Chemical Engineering from University of Southern California, Los Angeles in 1983, and an MBA degree from Loyola Marymount University, Los Angeles in 1986.

Hong Kah Jin is a senior executive of the Company, joining Lippo Karawaci in 2013 and currently serving as Vice President Director of Lippo Cikarang and Corporate Controller of Lippo Karawaci. He previously served as Vice President Director and Commissioner of Lippo Cikarang. Mr. Kah Jin started his professional career in auditing with PricewaterhouseCoopers Kuala Lumpur in 1997. In 2003, he moved to Ho Chi Minh City, Vietnam to manage the plant operations and finances of a flour mill with Malayan Flour Mills Bhd. From 2005 to 2007, he served as the Country Financial Controller overseeing finances and back office functions for The Ascott Group, the largest serviced apartment operator in Vietnam. In 2007, he was the Country Financial Controller for Keppel Land Ltd and was instrumental in their growth to become the largest foreign real estate company in Vietnam. He graduated with a Bachelors Degree in Commerce (Accounting & Finance) from Monash University in Melbourne, Australia and is a member of CPA Australia and Malaysia Institute of Accountants.

Edward Ng has more than 20 years of finance experience and has worked both domestically and abroad. From 1995 to 2002, he held various positions with the DFS Group starting as Accounting Manager in Saipan Division, Saipan, Commonwealth of Northern Marianas Islands, then as Business Planning Manager, and later as Regional Director of Business Planning for Mid-Pacific Region, Guam, United States. Afterward, he served as Corporate Director of Business Planning and Finance Director in San Francisco. In Hong Kong, he also served as Asia Vice President for Finance, Talent Management & Logistic, then as East Vice President — Operations & Control, as well as Global Vice President — Operations & Control. He also worked at GNLD International LLC (2013-2014) as Vice President Finance and Chief Operating Officer. Mr. Ng completed his post-graduate education in Strategy and Organization from the Graduate School of Business Executive Program, Stanford University. He obtained a Bachelor of Science, Business Administration majoring in Accounting, from California State University, Sacramento, USA.

Anthony Ross has over 30 years of experience in the hospitality industry, working with international hotel brands around the world. Mr. Ross began his career at Ramada Hotel in 1985. He later joined the Pan Pacific Hotel (now Sofitel), Gold Coast, Australia, eventually becoming Director of Operations. He continued his career as Resident Manager in the Pan Pacific Hotel in Kuala Lumpur, Malaysia (1993 – 1995) and in Sunway Lagoon Resort

Hotel, Malaysia (1996 – 1998). From 1998 to 2007, Mr. Ross served as General Manager at several well-known hotels, including All Seasons Premier Grand Hotel, Melbourne — Australia; The Sentosa Resort & Spa, Singapore; Azur Lodge, Queensland — New Zealand and Swiss Hotels, Beijing — China. In 2014, he became Executive Vice President for Preferred Hotel Group (for Asia Pacific Middle Africa). In February 2016, he joined Aryaduta Hotel as CEO. Mr. Ross obtained his Bachelors Degree in Business from Victoria University of Technology, Melbourne–Australia, specializing in Catering and Hotel Management.

AUDIT COMMITTEE

Our audit committee consists of an Independent Commissioner and one independent member. Currently, our audit committee members are its chairman, Prof. Dr. Muladi, SH, an Independent Commissioner on our Board of Commissioners and two additional members, Herbudianto and Achmad Kurniadi. Our audit committee is regulated under Regulation No. 55/POJK.04/2015. It performs its function in accordance with its charter dated February 26, 2016, which was approved by our Board of Commissioners.

The committee reviews our financial results, our compliance with the relevant regulations, the effectiveness of our internal controls and activities as well as the findings of our internal audit department. The audit committee also reviews reports of company risks, complaints and our general financial performance. The audit committee provides quarterly reports on its reviews to our Board of Commissioners.

CORPORATE SECRETARY

The Company appointed Sri Muljati Handojo as its Corporate Secretary in 2015 to liaise on behalf of the Company with the OJK, the IDX and other related public institutions. She started her career at the Company in 1992 and was assigned to various group companies including Lippo Development (1994 to 1997), PT Hotel Prapatan Tbk (1997 to 2000), PT Link Net (2000 to 2002) and PT Multipolar Corporation Tbk (2002 to 2005), with the last position as Corporate Secretary. She also worked for PT Titan Aneka Tambang (2006 to 2007) as General Manager of Human Resources and Head Office Support. From 2008 to 2011, she worked in PT Trikomsel Multimedia Tbk as Assistant Vice President of Corporate Services Division. She joined the Company in 2011 and was appointed Corporate Secretary in May 2015. She obtained a Diploma in Business Studies from William Business College, North Sydney, Australia in 1992 and graduated from the Faculty of Economics, University of Indonesia in 1997.

COMPENSATION

Payment of compensation to the commissioners and directors is determined at the annual general meeting of shareholders. During the years ended December 31, 2013, 2014 and 2015, the aggregate compensation (including bonuses) paid to the commissioners and directors of the Company and its subsidiaries was Rp46.8 billion, Rp65.2 billion and Rp59.9 billion (US$4.5 million), respectively. For the six months ended June 30, 2016, the aggregate compensation (including bonuses) paid to the commissioners and directors of the Company and its subsidiaries was Rp18.0 billion (US$1.4 million).

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information with respect to our shareholders as of June 30, 2016.

Shareholders	Number of shares	%
Lippo Related Companies[1]	6,076,698,118	26.33%
PT Metropolis Propertindo Utama	1,212,280,000	5.25%
Meridian Investment Limited	1,140,600,000	4.94%
Public	14,648,111,501	63.48%
Total	**23,077,689,619**	**100.00%**

(1) Pacific Asia Holding Ltd, PT Star Pacific Tbk, PT Lippo General Insurance Tbk, PT Multipolar Corporation Tbk and PT Lippo Securities Tbk collectively hold 6,076,698,118 of our shares and are controlled by the same shareholder group.

CORPORATE ORGANIZATION

The following table describes our material subsidiaries and their main activities as of June 30, 2016.

Companies	**Main Business Activities**	**Main Project**	**Percentage effectively owned by the Company**
PT Gowa Makassar Tourism Development Tbk.	Real Estate & Property	Urban and Tourism Development of Tanjung Bunga	54.0%
PT Lippo Cikarang Tbk	Real Estate	Urban Development of Lippo Cikarang	54.4%
PT Sentra Dwimandiri*	Holding company	General Investment	100%
PT Muliasentosa Dinamika	Real Estate	WTC Matahari Serpong	100%
PT Wisma Jatim Propertindo*	Holding company	General Investment	100%
PT Pendopo Niaga	Real Estate	Malang Town Square	100%
PT Jagatpertala Nusantara	Real Estate	Depok Town Square	100%
PT Mandiri Cipta Gemilang	Real Estate	The St. Moritz and PX Pavillion	100%
PT Almaron Perkasa	Real Estate	Kemang Village	100%
PT San Diego Hills Memorial Park	Real Estate	San Diego Hills Memorial Park	100%
PT Villa Permata Cibodas	Real Estate	Villa Permata Cibodas	100%
PT Puncak Resort International	Real Estate	Puncak Resort International	99.99%
PT Surya Mitra Jaya	Real Estate	City of Tomorrow	85.0%
PT East Jakarta Medika	Healthcare	Siloam Hospitals Lippo Cikarang	64.3%
PT Trias Mitra Investama	Real Estate	Owns land in Binjai	100%
PT Sentra Asritama Realty Development	Hospitality and Infrastructure	Water Management	100%
PT Siloam International Hospitals Tbk.	Healthcare	Owns material license and Siloam operator	70.8%[1]
PT Lippo Malls Indonesia	Services	Mall management	100%
PT Karya Cipta Pesona	Hospitality Services	Owns license for and manages Hotel Aryaduta Medan	94.7%
PT Persada Mandiri Abadi	Real Estate	Owns Kemang Village land	99.90%
PT Graha Tata Cemerlang Makassar	Retail (Strata-titled mall), Property and Portfolio Management	GTC Makassar	100%
PT Darma Sarana Nusa Pratama	Holding Company	Real Estate	52.7%
PT Unitech Prima Indah	Real Estate	Mall Grand Palladium Medan	94.7%
PT Primakreasi Propertindo*	Holding Company	General Investment	100%
PT Kemang Paragon Mall	Holding Company	Kemang Village	100%
PT Wahana Usaha Makmur	Holding Company	Kemang Village	100%
PT Megapratama Karya Persada*	Holding Company	General Investment	100%
Bridgewater International Ltd.	Investment, Trading and Services	General Investment	100%
Theta Capital Pte. Ltd.	Investment, Trading and Services		100%
Theta Kemang Pte. Ltd.	Investment, Trading and Services		100%

* *Subsidiary Guarantors*

[1] *Reduced to 51.46% on September 21, 2016. See "Business — Healthcare".*

REGULATION

The ownership, acquisition, development and use of land in Indonesia is subject to regulation by the Government of Indonesia and regional and local authorities.

1. LAND OWNERSHIP AND ACQUISITION REGULATION

Ownership of land in Indonesia is principally regulated under the Basic Agrarian Law (Law No. 5 of 1960). The Basic Agrarian Law and its implementing regulations (including Government Regulation No. 24 of 1997 (the "GR on Land Registration") and Government Regulation No. 40/1996 on Right to Cultivate "HGU Title", Right to Build "HGB Title", Right to Use "Hak Pakai") provide various forms of land title and a registration system to protect legal ownership. The highest form of land title available in Indonesia is *right of ownership* "Hak Milik", which is also the closest to the internationally recognized concept of "freehold" title. Hak Milik title is available only to Indonesian individuals and certain religious and social organizations and government bodies in Indonesia. Hak Milik title is not available to companies (whether Indonesian or foreign owned) or foreign individuals. Hak Pakai is the only title that is open to be owned by foreign individuals in Indonesia.

Both Indonesian companies and foreign owned companies incorporated under Indonesian law and domiciled in Indonesia may acquire HGB Title. A holder of a HGB Title to a parcel of land has the right to use to build and to own any buildings on such parcel of land, including on land owned by another party, and to transfer and encumber all or part of such parcel. HGB Title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, HGB Title may be extended for an additional term not exceeding 20 years. The application for an extension must be made at the National Land Office no later than two years prior to the expiration of the initial term. Following the expiration of this additional term, an application for renewal may be made by the land owner and a new HGB Title may be granted on the same land to the same owner following the satisfaction of certain requirements. The application for the new HGB Title must be made no later than two years prior to the expiration of the additional term. The land office has discretion to grant the various extensions. The National Land Office tends to grant extensions and renewals of HGB Titles when there has been no change in the zoning policies of the government, abandonment or destruction of land, egregious breaches by the owners of the land of conditions under the existing HGB Title and revocation of the HGB Title due to public interest considerations.

The Basic Agrarian Law also recognizes a form of title based in Indonesian traditional law commonly referred to as the *Hak Milik Adat* (or other name depending on the region) or Communal Right. A Communal Right title arises as a result of occupation or residence on land and payment of taxes and retributions with respect to the land, or by renouncement of right by the previous holder of land covered by the Communal Right title. The Communal Right title is an unregistered form of title but may be evidenced by certificates registered in the books of the relevant local sub-district office. Such certificates include a brief description of the land and holder of the Communal Right title and provide details with respect to the payment of taxes and retributions with respect to the land.

Under Minister for Agrarian Affairs and Spatial Planning/Head of National Land Agency Regulation No. 5 of 2015 dated April 28, 2015 on Location Permit, in order to acquire a parcel of land of more than 25 hectares for agricultural business or more than 10,000 square meters for non-agricultural business, a company must obtain a location permit which grants it the right to buy, clear and develop the particular parcel ("Location Permit"). The procedures for obtaining a Location Permit vary from region to region. The Location Permit is valid for three years, and extendable for a period of one year upon approval by the relevant authorities on the condition that 50% of the total area being applied for has been purchased or obtained by the company. After obtaining a Location Permit, the holder must still negotiate with the individual landowners whose land is located within the area prescribed in the Location Permit. After the process of acquisition and the settlement of rights with the individual owners is completed, the holder of the Location Permit may apply for and be granted the relevant rights of land. However, a company is under no obligation to purchase the land covered by its Location Permit. Under the GR on Land Registration and the Regulation of the State Minister for Agrarian Affairs/Head of National Land Agency No. 9 of 1999 dated October 24, 1999, in order for a company to acquire a HGB Title to land being purchased from a holder of a Communal Right, the company must make an application to the relevant land office together with supporting documents evidencing a relinquishment a renouncement of rights by the holder of the Communal Right title. The company may then sell the land as developed or serviced plots.

On December 16, 2011, the House of Representatives of the Republic of Indonesia passed the Bill on Land Procurement for Public Interest, which came into force on January 14, 2012 as Law No. 2 of 2012 on Land

Procurement for Public Interest ("Land Procurement Law"). The Land Procurement Law introduces clear and expedited steps for the procurement of land for the public interest. The Land Procurement Law is expected to provide a more effective legal basis for public interest land procurement. Under the Land Procurement Law, the term "public interest" is defined as the interest of the Indonesian people, nation and community as manifested through the Government and used optimally for the welfare of all the people of Indonesia. In order to implement Land Procurement Law, Presidential Regulation No. 71 of 2012 on Implementation of Land Procurement for Public Interest was enacted and came into force on August 7, 2012, as last amended by Presidential Regulation No. 148 of 2015 ("Land Procurement Implementation Regulation"), revoking the previous implementation law namely Presidential Regulation No. 36 of 2005, as amended by Presidential Regulation No. 65 of 2006. The Land Procurement Implementation Regulation aims to ensure the smooth execution of development activities for public interest, for which the purpose is required, and is expected to provide more effective legal basis for public interest in land procurement.

Under the Land Procurement Law, the Government and/or the regional government are given the task of ensuring the availability of land required for the public interest. The Land Procurement Law also clearly stipulates that a party who owns or otherwise controls the land procurement objects (which are defined as land, space under and above the land, buildings, plants, any object related to the land or other object which could be appraised, "Land Procurement Objects") (the "Entitled Party") is obliged to release its rights upon such Land Procurement Object for the purpose of public interest land procurement, following the provision of fair and reasonable compensation or a legally binding court decision. After such land is released, it becomes the property of the Government, the regional government or a state-owned enterprise, as the case may be.

The Land Procurement Law specifically stipulates the development projects for public interest as follows:

(1) national defense and security;

(2) public road, toll road, tunnel, railway, train station, and train operating facilities;

(3) water embankment, reservoir, irrigation, drinking water channel, water disposal channel and sanitation and other water resource management construction;

(4) seaport, airport, and terminals;

(5) oil, gas, and geothermal infrastructure;

(6) power plant, power transmission, switch yard, power network and distribution;

(7) government telecommunication and informatics network;

(8) waste disposal and processing place;

(9) hospitals owned by the Government or regional government;

(10) public safety facilities;

(11) cemetery owned by the Government or regional government;

(12) social facilities, public facilities and public open green space;

(13) wild life and culture preservation area;

(14) office area for the Government, regional government or sub-districts/villages;

(15) structuring of urban slums area and/or land consolidation, and rented residential for low-income communities;

(16) education facilities or schools under the Government or regional government;

(17) sport facilities owned by Government or regional government; and

(18) public market and public car park.

Initially, a government entity that plans to procure land for the public interest must have a public consultation with the parties related to the Land Procurement Objects, including any Entitled Party on the proposed development plan, until consensus is reached. In the event that no consensus can be reached or there occurs any objection on the proposed development plan, the Governor will establish a team to examine the reasons for the objections. Based on this, the Governor will decide whether the objections are valid. To the extent that such objections are denied, the Entitled Party may file a legal claim to the State Administrative Court, whose decision can thereafter be subject to final appeal at the Supreme Court. If by virtue of a legally binding court decision, the land has been approved to be procured for the public interest, then the Head of Regional Office of the National Land Agency, as the Chief Executive of Land Procurement appointed under Land Procurement Implementation Regulation, shall determine the compensation value to be paid to the Entitled Party based on appraisal report made by independent public appraiser. To challenge the compensation value, if required, the Entitled Party may file a legal claim to a District Court and if required, the decision of the District Court can be filed for final appeal at the Supreme Court.

2. BUILD, OPERATE AND TRANSFER OF LAND

Use of land pursuant to a build, operate and transfer ("BOT") scheme is regulated under Government Regulation No. 27 of 2014 on Management of State/Regional-owned Assets ("GR No. 27/2014"), which replaced Government Regulation No. 6 of 2006 and Government No. 38 of 2008, and has been further detailed in the Minister of Finance Regulation No. 78/PMK.06/2014 on the Implementing Procedures for the Management of State-Owned Assets.

One of the key features of BOT is the utilization of government land ("BOT Land") for a particular period of time. The BOT grantee, which is appointed pursuant to a tender process, will be given the right to develop the BOT Land and operate the buildings constructed on the BOT Land for certain uses for a particular period of time as stipulated in the relevant BOT agreement. For the right to use the BOT Land, the BOT Grantee must pay certain compensation to the BOT grantor as stipulated in the BOT agreement. Upon expiry of the term of the BOT agreement, the BOT grantee must return the BOT Land together with any building constructed over such BOT Land, without any compensation from the BOT grantor. The BOT grantee may be given the right to use the BOT Land for a maximum period of 30 years from the signing date of the BOT agreement. During the BOT period, the BOT grantee shall not (among other things) secure, pledge or transfer the BOT Land. Unlike land title, rights granted under a BOT scheme or arrangement do not amount to a legal title but represent only a contractual interest. Under a BOT scheme, it is common for the BOT grantor, which holds the BOT Land under a right to manage (*Hak Pengelolaan*), to grant the BOT grantee, pursuant to the relevant BOT agreement, a right to build (*Hak Guna Bangunan*) over such right to manage (*Hak Pengelolaan*) and operate the land and building for a particular period of time. Following the expiry date, such land including any building constructed over it shall be returned to the government.

3. STRATA-TITLE

The development of multi-story strata-title residential, retail and office buildings is regulated by Law No. 20 of 2011 on Strata Title Building which was enacted on November 10, 2011 ("Law No. 20/2011"), which replaces the previous Law No. 16 of 1985 on Strata Title Building. The Minister of Public Housing has issued Minister of Public Housing Regulation No. 10 of 2012, as amended by Minister of Public Housing Regulation No. 7 of 2013 on the Implementation of Housing and Settlement Areas with Balanced Housing ("MoPH Regulation No. 7 of 2013") as the implementing regulation of Law No. 20/2011.

Law No. 20/2011 classifies several types of Strata Title Building, namely (i) public Strata Title Building (*rumah susun umum*) provided for low income persons, (ii) special Strata Title Building (*rumah susun khusus*) provided for special needs, (iii) state Strata Title Building (*rumah susun negara*) which are owned and provided by the state for residential purposes and other support services for state officials, and (iv) commercial Strata Title Building (*rumah susun komersial*) for commercial purposes.

The Government is responsible for the development of public Strata Title Building, special Strata Title Building and state Strata Title Building. Any party developing public Strata Title Building may receive aid from the Government. The development of public Strata Title Building and special Strata Title Building may be conducted by a non-profit institution or business entity. The development of commercial Strata Title Building may be conducted by any party. Under Law No. 20/2011, the developer of commercial Strata Title Building must provide public Strata Title Building with a floor area of at least 20% of the total floor area of its commercial

Strata Title Building built. Such public Strata Title Building may be located outside the premises of the commercial Strata Title Building but is required to be located within the same regency or city where the commercial Strata Title Building is located, except for the Jakarta area, which as regulated under MoPH Regulation No. 7 of 2013 may be located in a different city from where the commercial Strata Title Building is located to the extent that it should still fall within the Jakarta province area. Violation of this obligation may subject the developer to imprisonment of up to two years or a fine of up to Rp20 billion.

A Strata Title Building may be constructed on a parcel of land where the developer has (i) right to own (*Hak Milik*) title to the land, (ii) right to build (HGB) title or a right to use over state-owned land (*Hak Pakai atas tanah Negara*), and (iii) right to build (HGB) or a right to use over right to manage land *(Hak Pakai di atas Hak Pengelolaan)*. In addition, public Strata Title Building and/or special Strata Title Building can also be constructed by utilizing the state or region-owned land (by way of lease or cooperation for the utilization) or utilization of donated land (*wakaf*) (by way of lease or cooperation for the utilization pursuant to *ikrar wakaf*). On December 2011, the Government enacted Government Regulation No. 103 of 2015 on Ownership of House or Residential for Foreigners Domiciled in Indonesia ("GR No. 103/2015"), which replaced Government Regulation No. 41 of 1996 on Ownership of House or Residential for Foreigners Domiciled in Indonesia. Pursuant to GR No. 103/2015, foreigners holding stay permits are eligible to own housing that is constructed under a Right to Use (*Hak Pakai*) either in a form of single housing and/or multi-story building.

Foreign investment for the construction of Strata Title Building is permitted under Law No. 20/2011 provided that prevailing regulations in foreign investment sector are complied with.

Pursuant to this law, the developer may market the Strata Title Building before the commencement of construction. However, prior to marketing the property, the developer is required to satisfy, at the minimum, the following criteria: (i) the certainty of the space allotment; (ii) the certainty of the right over the land; (iii) the certainty of the status of the possession over the Strata Title Building; (iv) construction license; and (v) guarantee over the construction from the relevant surety institution. The developer may enter into a preliminary sale and purchase agreement with purchasers before a notary prior to completion of the Strata Title Building. The preliminary sale and purchase agreement can only be entered into following the completion of certain requirements as follows: (i) the ownership of the land is clear; (ii) the building construction permit has been obtained; (iii) the infrastructure, facilities and public utilities are available; (iv) the construction progress of the respective Strata Title Building have reached at least 20% of the total construction; and (v) the object of the agreement is clear. In the event the Strata Building is built over a right to build (HGB) title, or right to use over right to manage land (*Hak Pakai di atas Hak Pengelolaan)*, the developer shall settle the ownership title of such land prior to the sale and purchase of the Strata Building units.

Pursuant to this law, all required implementing regulations shall be issued within one year from the enactment date of Law No. 20/2011. Until such implementing regulations are issued, the prevailing implementing regulations shall remain in effect, as long as the provisions therein do not contradict with the provisions under this law.

4. REGULATION ON THE DEVELOPMENT AND USE OF LAND

Following the acquisition of land and prior to construction, a developer must obtain an environmental impact analysis for the proposed project. Based on Minister of Living Environment Regulation No. 5 of 2012 dated April 12, 2012 on Type of Business Plan and/or Activity which requires an Environmental Impact Assessment (*Analisa Mengenai Dampak Lingkungan or* "AMDAL"), any business and/or activity that may cause significant environmental impacts must obtain an AMDAL, including, among others (a) any business activity within residential properties in (i) metropolitan cities occupying 25 hectares or more of land; (ii) large scale cities occupying 50 hectares or more of land; (iii) medium and small scale cities occupying 100 hectares or more of land; (iv) for transmigration settlement purposes of 2,000 square meters or more and (b) the construction of a building for multi-sectoral purposes which occupies five hectares or more of land or has a building area of 10,000 square meters or more. Thereafter, the developer (or contractor responsible for construction) must obtain a construction permit or *Izin Mendirikan Bangunan* ("IMB") from the regional government. After the IMB is received, development and construction may commence, including clearing and preparing land, and constructing infrastructure such as drainage systems, roads, landscaping, street lighting, electricity and telephone cables. If construction is conducted in various phases, an IMB must be obtained for each phase of construction.

The development of residential properties must also comply with regulatory requirements relating to the provision of social facilities benefiting the community, including schools, sports facilities, houses of worship, markets, parks and playgrounds.

On January 22, 2010, the Government of Indonesia issued Government Regulation No. 11 of 2010 ("GR No. 11/2010") on the Administration and Utilization of Unused Land (*Penertiban dan Pendayagunaan Tanah Terlantar)*. Under GR No. 11/2010, the Government may revoke Hak Milik, HGU, HGB, Hak Pakai or Hak Pengelolaan title and reclaim land without compensation if the land has not been used for a period of three years from the issuance of the relevant title, or if the land is not being utilized in accordance with its conditions of use. However, unintentionally unused land registered as *Hak Milik* or HGB are exempted from GR No. 11/2010. Before any land is declared unused, the Head of Regional Land Office will prepare an indicative list of unused land, which will be examined by a committee which is set up by the Head of Regional Land Office. Such investigation will commence (i) three years after the issuance of the respective land certificates; or (ii) on the expiry date of the document of the basis of repossession over the land.

In the event that such examination results in a conclusion that the land is unused, the land office will issue three warning letters, each having a one-month period in between, and the owner of the land will be given a certain period of time to rectify the situation. Failure to rectify will lead to the Head of Regional Land Office declaring the land as unused land, terminating the land rights and the legal relations of the owner or controller with such land, and declaring that such area of land is under the direct control of the Government. As GR No. 11/2010 does not provide for any period of time to which it applies, GR No. 11/2010 is applicable to land acquired prior to its enactment.

5. REGULATION OF LAND AS SECURITY FOR FINANCING

Article 1131 of the Indonesian Civil Code provides that all assets of a debtor, both immovable and movable and including land, which are already, or will be, in existence, shall become general security for the repayment of obligations of the debtor. Article 1133 states that preferential rights are given to (i) the holder of a hypothec and (ii) the holder of a pledge. The holder of a hypothec and/or a pledge take priority subject to legal costs incurred in the enforcement of the creditor's rights.

Law No. 4 of 1996 on Mortgage on Land and Land Related Objects provides that a company may encumber its HGB Title to land to secure obligations to creditors. A security right (*Hak Tanggungan*) may be granted over "immovable" property, including in land and buildings, plants and other fixtures which are attached to the land, which provided preferential rights over the land and property to the relevant creditor and is similar to a common law mortgage. Under Indonesian law, a mortgage (i) gives a preferential right to its holder; (ii) attaches to the secured object, regardless of the identity of the possessor of the object; and (iii) fulfills the principles of specialty and publicity in order to bind third parties and give legal certainty to its holder and certain in its enforcement. It is created by the execution of a mortgage deed and registration of the deed at the relevant land office.

6. REGULATION OF MORTGAGE FINANCING

Bank Indonesia regulates mortgage financing by specifying the maximum loan to value ("**LTV**") ratio for loans granted by commercial banks and the maximum financing to value ("**FTV**") ratio for financing granted by sharia banks. Under Bank Indonesia Regulation No. 18/16/PBI/2016 dated August 26, 2016 on Loan to Value Ratio for Credit Property, Financing to Value Ratio for Property Financing, and Down Payment for Credit or Motor Vehicle Financing, effective on August 29, 2016 ("Bank Indonesia Regulation No. 18/2016") and its implementing regulation BI Circular Letter No. 18/19/DKMP dated September 6, 2016 Bank Indonesia revised the maximum LTV ratio for loans from commercial banks to between 60% and 90%, and the maximum FTV ratio for financing from sharia banks to between 60% and 90%, in each case depending on the area and type of property (such as house, multi-story units (includes penthouse, condominium, apartment and flat) and shophouse (including shophouse used for office purposes)), the nature of the facility and the number of mortgage facilities held by the applicant.

For a first mortgage the LTV for property loan and FTV for property financing based on murabahah and istishna' contract are limited to (i) 85% for a house with total building area more than 70 square meters; (ii) 85% for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area more than 70 square meters; and (iii) 90% for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area between 22 square meters and 70 square meters.

For a second and third mortgage, the LTV for property loan and FTV for property financing based on murabahah and istishna' contract are limited to (i) 80% and 75%, respectively, for a house with total building area more than 70 square meters; (ii) 85% and 80%, respectively, for a house with total building area between 22 square meters and 70 square meters; (iii) 80% and 75%, respectively, for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area more than 70 square meters; (iv) 85% and 80%, respectively, for multi-story unit (such as penthouse, condominium, apartment and flat) with total building area range between 22 square meters and 70 square meters; (v) 85% and 80%, respectively, for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area less than 21 square meters; (vi) 85% and 80%, respectively, for a shophouse.

For a first mortgage, the FTV for property financing based on musyarakah mutanaqisah ("MMQ") and ijarah muntahiya bittamlik ("IMBT") contract are limited to (i) 90% for a house with total building area more than 70 square meters; (ii) 90% for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area more than 70 square meters; and (iii) 90% for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area range between 22 square meters and 70 square meters.

For a second and third mortgage the FTV for property financing based on MMQ and IMBT contract are limited to (i) 85% and 80%, respectively, for a house with total building area more than 70 square meters; (ii) 90% and 85%, respectively, for a house with total building area between 22 square meters and 70 square meters; (iii) 85% and 80%, respectively, for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area more than 70 square meters; (iv) 85% and 80% respectively for multi-story unit (such as penthouse, condominium, apartment and flat) with total building area range between 22 square meters and 70 square meters; (v) 85% and 80%, respectively, for a multi-story unit (such as penthouse, condominium, apartment and flat) with total building area less than 21 square meters; (vi) 85% and 80%, respectively, for a shophouse.

The provisions for LTV and FTV as set out in the preceding paragraphs, are only applicable for banks that have (i) nonperforming loan ratio from total loan or nonperforming financing ratio from total net financing of less than 5%; and (ii) nonperforming property loan ratio from total property loan or nonperforming property financing ratio from total gross property financing of less than 5%.

In addition, under BI Circular Letter No.18/19/DKMP, Bank Indonesia placed certain restrictions on a bank's ability to grant residential mortgage loans, which are subject to certain exceptions. Such restrictions prohibit banks from (i) granting a mortgage loan to finance the down payment for the purchase of a residential property, and (ii) granting a credit Facility before the relevant property is fully constructed and ready for handover. In case the physical form of the property has not been fully constructed, the bank may only a credit facility if the bank can fulfill the following requirements:

(1) the credit facility granted to the customer is the customer's first or second credit facility;

(2) there is a cooperation agreement between the bank and the developer of the property, which should at least contain an undertaking from the developer to complete the construction in accordance with the agreement between the customer and developer;

(3) the property developer or another party grants a corporate guarantee that can be used to complete the construction of the property and fulfill the obligations of the developer in case the property cannot be constructed and/or delivered as agreed; and

(4) disbursement of Credit Facility must be made on an installment basis based on the construction of the property.

7. REGULATION OF HOUSING AND SETTLEMENT AREAS

In early 2011, the Government enacted Law No. 1 of 2011 dated January 12, 2011 on Housing and Settlement Areas ("Law on Housing"). The Law on Housing is intended to implement housing and settlement area programs that: (i) provide legal certainty; (ii) support zoning and housing development oriented towards low-income communities; (iii) improve the effectiveness and efficiency of natural resources that contribute to housing development, with due regard to the preservation of the environmental (urban and rural areas); (iv) empower stakeholders in housing and settlement area development; (v) support economic, social and cultural growth; and (vi) provide housing that is healthy, secure, integrated and sustainable.

The Law on Housing provides five categories of housing: (i) commercial housing, housing that is built for business purposes; (ii) community-built housing, which is housing that is built by community initiatives;

(iii) public housing, which is housing that is provided by the Government for low-income communities; (iv) special housing, which is housing that is built for a particular purpose; and (v) state housing, which is housing owned by the state, which serves as residences for Government officials and their families. In addition to the categories mentioned above, the Law on Housing provides that single-houses, cluster housing, and/or apartments may only be constructed on land with right of legal ownership, right to build (either on the state land or right to manage), or right to use on state land.

One of the objectives under this Law on Housing is the support by the Government for the procurement of proper housing for low income communities. Thus, to procure proper housing for low income communities (including any repairs and/or house leasing), the state provides facilities and/or aid in the form of, among others: housing subsidies, tax incentives, licensing procedures, insurance and guarantees, land procurement and land certification.

To market housing that is still under construction, a housing developer may utilize a preliminary sale and purchase agreement scheme, after the fulfillment of certain requirements, namely: (i) land ownership status, (ii) object of the agreement, (iii) obtaining the principal building permit, (iv) availability of infrastructure, facilities and public utilities, and (v) the construction progress having reached at least 20% of the total development area. In this regard, a housing developer is also prohibited from carrying out a hand-over and/or collecting more than 80% of the funds from the purchaser prior to the fulfillment of the aforementioned requirements. Aside from administrative sanctions, this law also sets out criminal sanctions for the violation of this provision in the form of imprisonment of up to one year or a fine of up to Rp1.0 billion. In addition, the Law on Housing prohibits property developers from selling land lots without buildings constructed on them, unless at least 25% of the housing area has been completed and there is a national monetary crisis affecting the liquidity of the property developer, or the land is being developed for low-income residents. Violation of the aforementioned requirement may subject the developer to imprisonment of up to five years and a fine of up to Rp5.0 billion.

The availability of land for housing and settlement area development constitutes the responsibility of the Government and regional government, which can be conducted by granting of land title for lands directly possessed by the state, land consolidation with owners, transfer or release over right of land with owners, utilization and transfer of land owned by the state or regional government, utilization of state land that formerly was a neglected area, and/or procurement of land for the development of the public interest in accordance with the prevailing laws and regulations.

In Indonesia, foreign citizens may only occupy apartments or houses by lease or by obtaining Right to Use (*Hak Pakai*). The period of occupancy is set out in Government Regulation No. 103 of 2015 on House or Residence Occupancy by Foreigners Domiciled in Indonesia, which allows for a 30 year occupancy period that can be extended for a further period of up to 20 years, with a potential further extension of 30 years.

Every developer must comply with the regional spatial layout plan determined by the Government as well as obtain the licensing and assurance to the feasibility of occupancy.

Further, there are two sanctions for the violation of certain provisions, which are:

(1) administrative sanctions, in the form of, among others: written notices, temporary suspension of operations, license revocation, and building sealing; and

(2) criminal sanctions, in the form of fines (ranging from Rp50.0 million up to Rp50.0 billion) and imprisonment (ranging from one to five years).

The Government has enacted implementing regulations for the Law on Housing, which relates to: (i) Implementation Guidance on Housing and Settlement Areas (Government Regulation No. 88 of 2014) dated October 17, 2014; and (ii) Implementation on Housing and Settlement Areas (Government Regulation No. 14 of 2016) dated May 27, 2016.

8. REGULATION OF HOTEL BUSINESSES

The licensing for a hotel business is regulated under Law No. 10 of 2009 dated January 16, 2009 on Tourism ("Law No. 10/2009"). As the implementing regulations of the Tourism Law have not been enacted, Government Regulation No. 67 of 1996 dated November 8, 1996 on Tourism Implementation ("GR No. 67/1996") is still deemed valid, as long as it does not contravene Law No. 10/2009.

Under Law No. 10/2009, a hotel business must be registered with the central government or regional government, prior to the commencement of its business activities. The registration shall be conducted in accordance with the Minister of Culture and Tourism Regulation No. PM.86/HK.501/MKP/2010 dated November 16, 2010 on Registration Procedures of Accommodation Procurement Business ("MOCT Regulation No. 86/2010"), pursuant to which a Tourism Business Registration Certificate (*Tanda Daftar Usaha Pariwisata* or "TDUP") will be issued upon the completion of the registration process. Failure to comply with this regulation may lead to administrative sanctions in the form of (a) a written warning; (b) limitation of business activity; or (c) suspension of business activity.

Pursuant to MOCT Regulation No. 86/2010, all ITUPs are required to be converted to TDUPs no later than one year from the commencement date of MOCT Regulation No. 86/2010.

Each city or regent may also impose additional requirements in order for a hotel business to be established. In Jakarta for instance, under the Governor Regulation of the Capital City of Jakarta Region No. 41 of 2009 dated April 15, 2009 on Hotel Business Implementation, a hotel building must fulfill certain basic and technical operational requirements, such as having (i) a permanent hotel license; (ii) a certificate for the hotel's facilities and equipment eligibility; (iii) a certificate for the hotel's hygiene and sanitation eligibility; and (iv) the procurement of front office and its equipment, guest rooms and its equipment, dining facilities and its equipment, parking spaces and security officers.

Pursuant to the Government Regulation No. 52 dated April 23, 2012 on Certification of Competence and Business Certification, every tourism entrepreneur, including, but not limited to a hotelier, is obliged to implement Tourism Business Standards (*Standar Usaha Pariwisata*) for hotels as stipulated under the Minister of Tourism and Creative Economy Regulation No. PM.53/HM.001/MPEK/2013 dated September 27, 2013 on Hotel Business Standards, as amended by the Minister of Tourism and Creative Economy Regulation No. 6 dated June 26, 2014 ("MOTCE Regulation No. 53/2013"). According to MOTCE Regulation No. 53/2013, the Hotel Business Standard covers the hotel product, marketing and management. Furthermore, MOTCE Regulation No. 53/2013 also describes non-derogable criteria and derogable criteria for each of these aspects. Based on MOTCE Regulation No. 53/2013, a hotel may be classified as one of the following classifications: 5-Star Hotel, 4-Star Hotel, 3-Star Hotel, 2-Star Hotel, 1-Star Hotel or *Melati* Hotel. Moreover, based on the Minister of Tourism Regulation No. 1 of 2016 dated March 22, 2016 on the Implementation of Tourism Business Certification as amended by Minister of Tourism Regulation No. 12 of 2016 dated August 2, 2016, the Certification Agency of Tourism Business (*Lembaga Sertifikasi Usaha Bidang Pariwisata*) shall issue a Tourism Business Certificate (*Sertifikat Usaha Pariwisata*) to a hotelier in accordance with the Hotel Business Standard being applied by such hotelier.

9. REGULATION OF HEALTHCARE BUSINESSES

In 2009, the Government of Indonesia enacted Law No. 44 of 2009 dated October 28, 2009 on Hospital ("Law on Hospital"). The implementing regulation of this new law has not yet been issued. However, the Minister of Health has since issued Ministry of Health Regulation No. 56 of 2014 on Hospital License and Classifications ("Regulation No. 56/2014"), whereby such regulation revoked the Ministry of Health Regulation No. 147/Menkes/Per/I/2010 on Hospital License and Ministry of Health Regulation No. 340/Menkes/Per/III/2010 on Hospital Classification ("Regulation No. 340/2010"), except for the Annexure II of the Regulation No. 340/2010 on the Classification Criteria for Special Hospital.

Under the Law on Hospital, a hospital can be established by the Government, a regional government or a private company. A hospital which is established by a private company must be created in the form of a legal entity and its business activities must be exclusively within the hospital business. Regulation No. 56/2014 also categorizes hospitals into two types: (i) general hospitals, which provide healthcare services for all areas and all kinds of diseases and (ii) specialized hospitals, which provide medical services for a specific type of disease or within a single medical discipline, i.e., based on age, organ or type of disease. Pursuant to the Regulation No. 56/2014 and Presidential Decree No. 44 of 2016 dated May 18, 2016 regarding List of Business Fields Closed to Investment and Business Fields Open, With Conditions, To Investment, a foreign investment company can only establish specialized hospitals and subspecialized hospitals, and have a maximum foreign share ownership of 67% and maximum share ownership of 70% for ASEAN countries. Any such investment activities may be conducted throughout Indonesia, except for the Makassar and Manado regions.

Other requirements that need to be fulfilled in order to operate a hospital relate to its infrastructure, medical equipment, human resources, hospital administration and management and location, which encompasses aspects of health, environmental safety, spatial layout, and hospital operations. The requirement on health and environmental safety must be included in the Environmental Monitoring Efforts Report (*Upaya Pemantauan Lingkungan/UPL*), Environmental Management Efforts Report (*Upaya Pengelolaan Lingkungan/UKL*) and/or Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan/AMDAL*).

Further, to operate a hospital business, one must obtain an establishment license (valid for a period of one year and may only be extended for an additional year) and an operational license (valid for a period of five years and may be extended for so long a hospital continues to meet certain requirements). An establishment license is given to construct a new building or to change the function of an existing building in order to be utilized as a hospital. The application of this establishment license shall be submitted to the relevant regional officials of the Health Service Office in accordance with the proposed hospital classification that will be constructed. The construction of the hospital shall commence following the hospital receiving establishment license.

To obtain an operational license, one has to submit a written application to the relevant officials from Health Service Office in accordance with its proposed hospital classification, and is required to submit the certain documents. Following the submission of the application and the required documents to the relevant Health Service Office, the officials will form a team consisting of officers from the Ministry of Health, the Provincial Health Office, the Regency/Municipal Health Office or the National Hospital Association to conduct a site visit and assess the preparation and the feasibility of the hospital. Based on the visitation results, the relevant officials will give a recommendation to grant the operational license or to refuse the application. Every hospital which has obtained an operational license may alter its operational license by submitting a written application which includes changes in (i) ownership, (ii) the type of hospital, (iii) the name of hospital, and/or (iv) hospital classification. Hospital licenses may be revoked if (i) the term of such license has ended; (ii) the holder of the license has no longer fulfilled the relevant requirements and standards; (iii) the hospital is shown to be violating prevailing laws and regulations; and/or (iv) upon an order by the court.

Pursuant to Health Minister Regulation No. 12 of 2012 dated March 15, 2012 regarding Hospital Accreditation, every hospital that has had an operational license for two years must apply for and obtain the national hospital accreditation status. Hospital Accreditation in this case is an acknowledgement credited to the hospital by a specific independent accreditation institution, which is registered under the Ministry of Health (i.e., KARS). Such Hospital Accreditation can only be obtained after the hospital has been assessed by the independent institution to have met and fulfilled the applicable standards of hospital services.

Under Health Minister Regulation No. 1171/Menkes/Per/VI/2011 dated June 15, 2011, regarding Hospital Information Systems, every hospital in Indonesia must apply the mandated Hospital Information System. Each hospital must register itself with the Ministry of Health and is obliged to make periodic reports. Hospitals are required to provide information regarding the identity of the hospital staff, employment data, service activities and the compilation disease data of inpatients and outpatients.

Pursuant to the Law on Hospital, a company that operates a hospital without the required licenses will be subject to a penalty fee of a maximum amount of Rp15,000,000,000 while the management of such company may be subject to imprisonment for a maximum period of two years and penalty fees up to Rp5,000,000,000.

The corporate organization of a hospital must consist of at least a head or director of the hospital, medical personnel, nursing personnel, medical support, medical committee, internal auditor, general administration officer and finance officer. The head or director of the hospital must be a medical personnel with hospital expertise, an Indonesian citizen, and may not be the hospital owner.

Under Regulation No. 56/2014, general hospitals in Indonesia are classified as Class A, Class B, Class C, or Class D hospitals by the Health Minister. Such classification is based on the services, human resources, facilities, infrastructure and equipment of the hospitals.

Hospitals must have permanent workers which consist of medical personnel, pharmacists (*kefarmasian*), nursing personnel (*tenaga keperawatan*), other hospital management staff and non-medical staff. Based on Law No. 29 of 2004 on Medical Practice (the "Medical Practice Law"), a doctor who engages in the medical practice must hold a practice license, issued by the competent health authority located in the relevant regency or city where such medical practice is carried out. Further, according to Health Minister Regulation No. 2052/Menkes/Per/X/2011 regarding License Practice and Implementation of Medical Practice issued by the Ministry of Health Republic of Indonesia, a doctor may practice at a maximum of three hospitals or individual practice health facilities, which can be government-owned or private-owned.

Pursuant to the Medical Practice Law, a company operating a hospital that hires a doctor or dentist who does not have a practice license or a registration letter will be subject to a penalty of imprisonment for a maximum period of ten years and penalty fee in up to Rp300,000,000 or the revocation of the hospital's business license.

Based on Health Minister Regulation No. 1787/Menkes/Per/XII/2010 regarding Advertising and Publication of Health Services, a health facility may advertise in health services publications, print media, electronic media, banners, news, news ticker, articles or features. Advertisers of medical services should pay attention to advertisement and publication ethics, which are set forth in the various codes of conduct for Indonesian hospitals, including the code of conduct for health workers, advertisement code of conduct and the existing regulations. Advertising of medical services is restricted in Indonesia by the strict controls imposed by the Advertisement Code of Conduct. The Indonesian Advertisement Code of Conduct stipulates that hospital advertising is only allowed if the hospital is presented as a business entity that offers available services and the facility and hospital may not advertise sales promotions of any kind. Furthermore, under the Indonesian Hospital Code of Conduct, hospitals may promote only informative marketing, such marketing may not be comparative, must be based on facts and not excessive.

In October 2011, the House of Representatives passed a Bill on the Social Security Agency or BPJS. The law was registered as Law No. 24 of 2011 in the State Official Gazette ("Social Security Agency Law"). The law is an implementing regulation of Law No. 40 of 2004 on the National Social Security System ("Law 40/2004"), and the main purpose of the law is to establish a national social security agency to organize and maintain a national social security system. The Social Security Agency Law has been in force since November 25, 2011. Pursuant to the Social Security Agency Law, BPJS will organize the national social security system based on principles of mutual cooperation, non-profit principles, transparency, precautionary principles, accountability, portability, and mandatory participation The Social Security Agency Law is intended to organize the health insurance program, work accident insurance program, life insurance program, insurance program for the elderly, and retirement insurance program. Two institutions will be established: one will organize the health insurance program; and the other will organize the labor insurance program. The newly-established institutions are BPJS for Health, which is responsible for the health insurance program, which began its operations on January 1, 2014, and BPJS for Labor, which is responsible for programs such as workers' compensation, pensions and life insurance and began its operations on July 1, 2015.

BPJS registers participants, collects contributions from participants, receives supplemental contributions from the Government, manages social security funds for participants, collects and manages participants' data, pays for health services that are in accordance with the social security law and provides social security information to participants and the public. Furthermore, BPJS is authorized to invest in social security funds, short-term and long-term investments. However, BPJS has to consider several factors such as liquidity, solvability, security and reasonable output in determining their investment plan.

Further, the President has issued Regulation No. 12 of 2013 on Public Health Insurance as last amended by Regulation No. 28 of 2016 ("Public Health Insurance Regulation"), which implements Law No. 40 of 2004 concerning the National Social Security System and Social Security Agency Law. The Public Health Insurance Regulation establishes the public health insurance program for Indonesian citizens, which applies to the Government, informal sector workers, laborers, state apparatus, and employers. Under the Public Health Insurance Regulation, the Government is obliged to provide necessary medical facilities for the public health insurance program. The private sector may also be involved in providing medical facilities for the program. Government-owned medical facilities that meet the requirements are obliged to cooperate with BPJS for Health. Meanwhile, cooperation with BPJS for Health is not mandatory for private health facilities.

In March 2014, the Minister of Health also issued the Minister of Health Regulation No. 10 of 2014 concerning Hospital Supervisory Board as an implementation of Law on Hospital which regulates the function of the supervisory board in a hospital. The hospital's supervisory board is an independent non-structural unit in the hospital which functions as a governing body to provide guidance and give internal non-technical supervision in the hospital business. The members of the hospital supervisory board must consist of various elements, such as the hospital owner, professional, hospital association, and community figure.

10. REGULATION ON SHOPPING CENTERS

On December 27, 2007, the President of the Republic of Indonesia enacted Presidential Regulation No. 112 of 2007 on the Organization and Development of Traditional Markets, Shopping Centers and Modern Stores

("PR 112/2007"). On December 12, 2013, the Minister of Trade of Republic of Indonesia issued the implementing regulations of PR 112/2007, namely Minister of Trade Regulation No. 70/M-DAG/PER/12/2013 on the Guidelines of Organization and Development of Traditional Markets, Shopping Centers and Modern Stores as amended by Minister of Trade Regulation No. 56/M-DAG/PER/9/2014 ("MOT 70/2013"). Both PR 112/2007 and MOT 70/2013 regulate, among others, the shopping center industry in Indonesia. A shopping center is defined as a particular area comprising one or more buildings constructed vertically or horizontally, to be sold or leased to business actor(s) or managed independently for trading of goods. To engage in the business, the owner of the shopping center must acquire a Shopping Center Business License (*Izin Usaha Pusat Perbelanjaan*).

Pursuant to Article 12 (3) of PR 112/2007 and Article 25 (2) of MOT 70/2013, the authority to issue an IUPP is mandated to the mayor or regent where the building is located, or by the Governor of Jakarta if the building is located in Jakarta area. To date, the Governor of North Sumatera and South Sulawesi, which two of our malls are located, have not issued any regulation concerning how persons shall apply for and be issued an IUPP. PR 112/2007 and MOT 70/2013 do not specify any administrative sanctions to be imposed in the absence of an IUPP.

11. BUILDING WORTHINESS REGULATIONS

The construction and utilization of buildings in Indonesia is governed under Law No. 28 of 2002 on Buildings, which was enacted on December 16, 2002 ("Law 28/2002"), with Government Regulation No. 36 of 2005 on Buildings ("GR 36/2005") as the implementing regulation. Pursuant to Law 28/2002 and GR 36/2005, the developer or contractor of a building must obtain a Building Construction Permit and a Building Worthiness Certificate in connection with the building to be developed.

Pursuant to GR 36/2005, an applicant for a Building Construction Permit must submit (i) land ownership documents; (ii) details regarding the building's owner; (iii) the building's technical plan; and (iv) an environmental analysis report, to the extent that the building affects the surrounding environment. With respect to buildings that affect the surrounding environment, a Building Construction Permit will be granted only if a panel of building experts recommend such approval based on technical requirements, and once public opinion has been considered. Furthermore, a Building Construction Permit will be granted only if the purpose of the development is aligned with the applicable zoning plan. The grant of a Building Construction Permit must be approved by the mayor or governor, as applicable, of the area where the building is located.

Further, the relevant developer is required to obtain a Building Worthiness Certificate with respect to each building. Under GR 36/2005, building worthiness is defined as the condition where a building has complied with administrative and technical requirements in accordance with the building's stipulated function. Building Worthiness Certificates are issued for a duration of 20 years for houses and five years for other buildings by the relevant regional government; provided, that such houses or other buildings have been fully constructed and comply with building worthiness requirements according to building worthiness assessment. Such certificates are issued based on the owner's application for all or part of the building in accordance with the building worthiness assessment. A building may commence operations following the grant of a Building Worthiness Certificate.

In order to be granted a Building Worthiness Certificate, a building must pass an assessment on the function of the building, building layout requirements and safety, health, comfort and convenience requirements. Failure to comply with the requirements under GR 36/2005 could result in administrative sanctions in the form of warning letters, suspension and revocation of the building construction permit and/or Building Worthiness Certificate.

12. ENVIRONMENTAL REGULATION

Environmental protection in Indonesia is governed by various laws, regulations, and decrees, including Law No. 32 of 2009 on Environmental Protection and Management ("Law 32/2009"), which was enacted on October 3, 2009 and Government Regulation No. 27 of 2012 on Environmental Licenses ("GR 27/2012"). Law 32/2009 stipulates that all business sectors that are required to obtain an Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan* or "AMDAL") or an Environment Management Effort and Environment Monitoring Effort (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* or "UKL & UPL") shall obtain an Environmental License, which are issued by the State Minister of Environment, Governor, or Mayor/Regent (in accordance with their respective authorities). Such Environmental Licenses are issued based on an environmental feasibility study or a UKL & UPL recommendation. An Environmental License is pre-requisite for companies wishing to obtain their operational business license and shall expire concurrently with such operational business license.

Law No. 32/2009 stipulates that within two years after its enactment date, all businesses that have obtained business licenses but do not yet have an AMDAL document or UKL and UPL are obligated to either complete an environmental audit, if they need an AMDAL, or to have environment management document, if they need a UKL and UPL. Furthermore, Law No. 32/2009 obliges businesses to integrate their current environmental permits (AMDAL or UKL/UPL documents) issued by either the minister, governor or major, into an Environmental License by the first anniversary of the enactment date. Any party running business and/or activity without the Environmental License shall be subject to imprisonment for 1 (one) year at the minimum and three years at the maximum and a fine amounting to Rp1 billion at the minimum and Rp3 billion at the maximum. However, GR 27/2012 states that environmental documents that were approved prior to the enactment of GR 27/2012 shall remain valid and shall be deemed Environmental Licenses.

13. REGULATION OF MONEY LAUNDERING

On October 22, 2010, the Government enacted Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering Crime ("Law No. 8/2010"). This law regulates, among others, the types of transactions which are required to be reported to the Indonesian Financial Transaction Reports and Analysis Center (*Pusat Pelaporan dan Analisa Transaksi Keuangan* or "PPATK") and the types of business activities involved in such transactions. Under this law, which is further implemented by Government Regulation No. 43 of 2015 on the Reporting Party in the Prevention and Eradication of Money Laundering Crime, a property developer (a "Reporting Party") is required to submit such reports. Under Law No. 8/2010, the Reporting Party is required to report to PPATK regarding any transaction entered into with its customers having a minimum value of Rp500 million, or any equivalent value in other currencies, no later than 14 business days after the transaction is conducted (the "Reporting Obligation"). Failure to comply with the Reporting Obligation may result in the Reporting Party receiving administrative sanctions by the Supervisory and Regulatory Agency (*Lembaga Pengawas dan Pengatur*) in the form of a warning letter, public announcement of such action(s) or sanction(s) and/or an administrative penalty. Law No. 8/2010 also grants protection to the Reporting Party and/or witnesses relating to their reports and/or testimony such that the Reporting Party and/or the witness shall be free from any civil or criminal claim, unless the Reporting Party provides a false testimony under oath. Further, Law No. 8/2010 also stipulates that for as long as the Supervisory and Regulatory Body has not been established, the PPATK is authorized to impose administrative sanctions.

The Reporting Obligation took effect two years after Law No. 8/2010 was enacted, which was on October 22, 2012. The implementing regulations, with regard to the sanctions imposed due to failure to report under Law No. 8/2010, is PPATK Regulation No. PER-12/1.02.1/PPATK/09/11 on Transaction Reporting Procedures for Other Goods and/or Service Providers ("PPATK Regulation 12/2011"). PPATK Regulation 12/2011 specifically applies to property developers, classified as "other goods and/or services providers". Under PPATK Regulation 12/2011, failure by such providers to submit a report to the PPATK would result in the imposition of administrative sanctions, which may be in the form of (i) a warning, (ii) a written notice, (iii) a public announcement of such action(s) or sanction(s) and/or (iv) a fine.

On June 23, 2015, the Government issued Government Regulation No. 43 of 2015 on Reporting Parties in Preventing and Eradicating Criminal Act of Money Laundering was enacted ("**GR 43/2015**"). GR 43/2015 was issued as the implementing regulation of Law 8/2010, which added four additional categories on financial services providers that constitute as "reporting parties", which are (i) venture capital companies, (ii) infrastructure financing companies, (iii) micro financing companies, and (iv) export financing companies.

TRANSFER RESTRICTIONS

INVESTOR REPRESENTATIONS AND RESTRICTIONS ON RESALE

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act.

By its purchase of the Notes, each purchaser of the Notes will be deemed to:

1. represent that it is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and is purchasing the Notes in an offshore transaction in accordance with Regulation S;

2. acknowledge that the Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except as set forth below;

3. agree that it will inform each person to whom it transfers Notes of any restrictions on transfer of such Notes; and

4. acknowledge that the Issuer, the Company, the Joint Bookrunners and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and agree that if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify the Issuer, the Company and the Joint Bookrunners. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

GLOBAL CLEARANCE AND SETTLEMENT

See "Definitions" in "Terms and Conditions of the Notes" for the definitions of certain capitalized terms used in this section.

Investors in the Notes may hold Notes through Euroclear or Clearstream, Luxembourg. Initial settlement and all secondary trades will settle as described below. Although the Issuer understands that Euroclear and Clearstream, Luxembourg will comply with the procedures provided below in order to facilitate transfers of Notes among participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be modified or discontinued at any time. None of the Issuer, the Guarantors, the Trustee, the Registrar, the Transfer Agents, the Paying Agents or any other agent of any of them will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations. With respect to clearance and settlement through Euroclear and Clearstream, Luxembourg, the Issuer understands as follows:

THE CLEARING SYSTEMS

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg interface with domestic securities markets.

Euroclear and Clearstream, Luxembourg participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Initial Settlement

The Notes will be issued initially in the form of a Global Certificate in book-entry form and will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Investors' interests in Notes held in book-entry form by Euroclear or Clearstream, Luxembourg, as the case may be, will be represented through financial institutions acting on their behalf as direct and indirect participants in Euroclear or Clearstream, Luxembourg, as the case may be. In addition, Euroclear and Clearstream, Luxembourg may hold positions in the Notes on behalf of their participants through their respective depositories.

Investors electing to hold their Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional notes. Notes will be credited to the accounts of depositories and will be processed by Euroclear or Clearstream, Luxembourg in accordance with usual new issue procedures.

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between Euroclear and/or Clearstream, Luxembourg participants

Secondary market trading between Euroclear participants and/or Clearstream, Luxembourg participants will be settled using the procedures applicable to conventional notes in same-day funds.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and Indonesia and administrative guidelines issued by the relevant authorities in effect as of the date of this Offering Circular. Such statements are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below.

The following is a summary of the material tax consequences in Singapore and Indonesia to a holder of the Notes and does not take into account or discuss the tax laws of any countries other than Singapore and Indonesia. The statements below are not to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore that have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective purchasers of the Notes are advised to consult their own professional tax advisors as to the Singapore, Indonesian or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that neither the Issuer, the Joint Bookrunners nor other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription, purchase, holding or disposal of the Notes.

SINGAPORE TAXATION

General

Singapore adopts a modified territorial basis of taxation under which tax is levied on all income sourced in Singapore. Foreign-sourced income is taxed only when received or deemed received in Singapore by tax residents or corporations carrying on business in Singapore. However, there are exemptions available.

The corporate tax rate in Singapore is 17.0 per cent. with effect from Year of Assessment 2010. Partial exemption of up to the first S$300,000 of the chargeable income of a company otherwise subject to normal taxation, is available. New start-up companies that meet certain qualifying conditions enjoy tax exemption on up to S$300,000 of the normal chargeable income for its first three consecutive years of assessment.

Resident individuals are taxed at graduated scale rates that range from 0 to 20.0 per cent (current) or 22.0 per cent (effective from Year of Assessment 2017) and are entitled to personal reliefs. Non-resident individuals are taxed at 20.0 per cent (current) or 22.0 per cent (effective from Year of Assessment 2017) with relief available to certain groups of non-resident individuals.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17.0 per cent. with effect from Year of Assessment 2010. The applicable rate for non-resident individuals is 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

However, as the Notes are jointly-lead managed by the Joint Bookrunners, each of whom is a Financial Sector Incentive (Capital Market) Company, Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Bond Market) Company (as defined in the ITA), the Notes issued as debt securities before December 31, 2018 (the "Relevant Notes") would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the MAS on June 28, 2013, qualifying debt securities ("QDS") for the purposes of the ITA, to which the following treatments shall apply (the "QDS Scheme"):

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "Specified Income") from the Relevant Notes, paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing to the MAS and such other relevant authorities as may be prescribed of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars that the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), the Specified Income on the Notes paid by the Issuer and received by any company or body of persons in Singapore is subject to tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

    (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax, shall include such income in a return of income made under the ITA; and

(ii) the furnishing to the MAS and such other relevant authorities as may be prescribed of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require,

payments of Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(A) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though the Relevant Notes are QDS, if, at any time during the tenure of the Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related parties of the Issuer, the Specified Income derived from such Relevant Notes held by (1) any related party of the Issuer; or (2) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer, shall not be eligible for the withholding tax exemption or the concessionary rate of tax of 10 per cent. as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"break cost", in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"prepayment fee", in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"redemption premium", in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from the Relevant Notes by any person who is not resident in Singapore and carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose Specified Income derived from the Relevant Notes is not exempt from tax is required under the ITA to include such income in a return of income made under the ITA.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable in Singapore as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore FRS 39 ("FRS 39") may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 — Financial instruments: Recognition and Measurement" (the "FRS 39 Circular"). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

The FRS 39 Circular and Section 34A of the ITA generally apply, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

The FRS 39 Circular refers to the definition of the effective interest method under FRS 39 and states that the "effective interest method" is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period and the "effective interest rate" is the rate that exactly discounts estimated future cash payments of receipts through the expected life of the financial instruments. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

However, for debt securities which are on capital account, the FRS 39 Circular indicates that interest income reflected in the profit and loss account under FRS 39 will be adjusted to that based on the coupon/contractual rate.

In this regard, Section 34A of the ITA provides that where interest from debt securities is chargeable to tax under Section 10(1)(d) of the ITA (i.e. as passive income rather than as income from a trade or business), such interest will be computed based on the contractual interest rate and not the effective interest rate. In this section, "contractual interest rate" in relation to any financial instrument means the interest rate specified in the financial instrument. A gain from discounts or premiums on debt securities, being a gain chargeable to tax under Section 10(1)(d) of the ITA, shall be deemed to accrue only on the maturity or redemption of the debt securities and to be equal to the difference between the amount received on the maturity or redemption of the debt securities and the amount for which the debt securities were issued.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Goods and Services Tax

A sale of the Notes by a Goods and Services Tax ("GST") registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any GST (for example, GST on brokerage) incurred by the investor in respect of the Notes purchased or sold by him will become an additional cost to the investor.

Where the Notes are supplied by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the course of or furtherance of business in respect of the Notes sold by him will, subject to the provisions of the Goods and Services Tax Act, Chapter 117A of Singapore, be claimable as an input tax credit in its GST returns.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of the Notes will be subject to GST at the prevailing rate (currently 7.0 per cent.). Similar services rendered contractually to an investor belonging outside Singapore are subject to GST at zero rate provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

INDONESIAN TAXATION

The following is a summary with respect to taxes imposed by the Government of Indonesia. The summary does not address any laws other than the tax laws of Indonesia in force and as they are applied in practice as of the date of this Offering Circular.

General

Resident taxpayers, individual or corporate, are subject to income tax in Indonesia. Subject to the provisions of any applicable agreement for the avoidance of double taxation (a "tax treaty"), non-resident taxpayers, namely corporations not domiciled or established in Indonesia, which do not have a permanent establishment in Indonesia, or individuals, which derive income sourced in Indonesia from, among other things, the sale of assets situated in Indonesia, services performed in or outside Indonesia or interest, royalties or dividends from Indonesia, are subject to a withholding tax on that income at the rate of 20.0%. If the income is effectively connected with a permanent establishment of a non-resident corporation in Indonesia, the income is subject to corporate income tax at a flat rate of 25.0% for 2010 onwards and deemed distribution tax of 20.0% of the after-tax profits, subject to applicable tax treaties.

Withholding Tax

Payments of principal under the Notes are not subject to withholding tax, but interest sourced from Indonesia is subject to withholding tax. Payments by us attributable to interest payable on the Notes to non-residents will be subject to withholding tax in Indonesia at the rate of 20.0% or the relevant reduced rate under an applicable tax treaty. The 20.0% tax rate may be reduced to 10.0% by virtue of the tax treaty between Singapore and Indonesia provided the eligibility requirements of the tax treaty are satisfied (primarily relating to residence and beneficial ownership). To date, the Indonesian Directorate General of Taxes has required a Certificate of Domicile and DGT Form 1 (also known as a Certificate of Residence) to be presented to support tax treaty eligibility.

Payments by us attributable to interest payable on the Notes to Indonesian residents and permanent establishments (other than Indonesian banks or foreign banks with a permanent establishment) will be subject to Article 23 withholding tax in Indonesia at the rate of 15.0%, The tax withheld may be credited against the underpaid corporate income tax by the Indonesian residents and permanent establishments.

On November 5, 2009, the Indonesian Directorate General of Taxes (DGT) issued Regulation No. PER- 62/PJ./ 2009 which was last amended by Regulation No. PER-25/PJ./2010 regarding *The Prevention of Tax Treaty Abuse*. Under the regulation, the following individuals or companies that are covered by a tax treaty will be regarded as not having abused the relevant tax treaty if:

a. an individual who does not act as an agent or nominee;

b. an organization whose name is mentioned in the tax treaty or has been agreed to by an authorized official in Indonesia and in the tax treaty partner country;

c. a foreign taxpayer who receives or earns income through a custodian with respect to income from a transfer of shares or bonds traded on the Indonesian stock exchange, other than interests and dividends, where the foreign taxpayer is not acting as an agent or as a nominee;

d. a company whose shares are registered on the Indonesian Stock Exchange and traded regularly;

e. a pension fund whose establishment is in accordance with the legislative provisions in the tax treaty partner country and constituting a tax subject in the tax treaty country;

f. a bank; or

g. a company that meets the following qualifications:

   1. for a company receiving or earning income pursuant to a tax treaty article where there is no beneficial owner requirement, namely the establishment of company or the arrangement of structure/ scheme of transaction is not merely aimed at enjoying tax treaty benefits;

2. for a company receiving or earning income pursuant to a tax treaty article where there is a beneficial owner requirement:

   i. the company is established in the tax treaty partner country or has a structure/scheme transaction arrangement which is not solely intended to take advantage of a tax treaty benefit; and

   ii. the company's operations are managed by the management itself who has sufficient authority to complete transactions; and

   iii. the company has employees; and

   iv. the company has activities or an active business; and

   v. the Indonesia-sourced income is subject to tax in the recipient country; and

   vi. the company does not use more than fifty percent (50%) of its total income to fulfill its obligations to other parties in the form of interest, royalty or other types of compensation.

On November 5, 2009, the Indonesian Directorate General of Taxes (DGT) issued Regulation No. PER-61/PJ./2009 which was last amended by Regulation No. PER-24/PJ/2010 regarding *The Procedure for the Application of Agreement on Double Taxation Avoidance*. Under this regulation, the DGT provided the format for the Certificate of Domicile (DGT Form 1) required in order to apply the tax treaty rate. Page 1 of DGT Form 1 must be filled out and signed by the foreign taxpayer and must be authenticated/legalized by the Singapore Tax Authority. This form is valid for twelve (12) months from the date of legalization of the document by an authorized official and may be substituted with a Certificate of Domicile issued by an authorized official. Page 2 of DGT Form 1 must be filled out and signed by the foreign taxpayer and does not need to be legalized by an authorized official.

Both the abovementioned regulations provide that in order to apply the tax treaty relief, the Indonesian corporate taxpayers that is obliged to deduct the withholding tax on the income paid to the non-resident taxpayers in the form of dividends, interest and royalties must ensure that it is not considered as abusing the tax treaty based on the conditions mentioned above.

To obtain the benefit of the reduced rate under the tax treaty, the recipient of the interest payable on the Notes must comply with the certification, eligibility, information and reporting requirements in force in Indonesia. Currently, such recipient would need to provide an original Certificate of Tax Domicile/DGT Form 1 (commonly known as a Certificate of Residence) pages 1 and 2 in the format specifically provided by the Indonesian Tax Authority. If the tax treaty benefits are not available then the withholding tax rate applicable will be 20.0%.

Taxes on Capital Gains

Gains from disposal of the Notes by an Indonesian tax resident is taxable in Indonesia and subject to income tax up to a maximum rate of 30.0% for individuals, at a flat rate of 25.0% for 2010 onwards for companies and permanent establishments, and an additional distribution tax for permanent establishments of 20.0% of after-tax profits, subject to applicable tax treaties.

Other Indonesian Taxes

There are no Indonesian estate, inheritance, succession, or gift taxes generally applicable to the acquisition, ownership or disposition of the Notes. There are no Indonesian stamp, issue, registration or similar taxes or duties payable by holders of the Notes as a result of their holding of the Notes.

The above summary is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Notes. Prospective purchasers of the Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

SUBSCRIPTION AND SALE

BNP Paribas, Deutsche Bank AG, Singapore Branch, Merrill Lynch (Singapore) Pte. Ltd., Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and UBS AG, Singapore Branch (together, the "Joint Bookrunners"), pursuant to a Subscription Agreement dated October 24, 2016 (the "Subscription Agreement") among the Issuer, the Guarantors and the Joint Bookrunners, agree subject to the satisfaction of certain conditions, to severally and not jointly subscribe and pay for, or procure subscriptions and payment for the respective principal amount of the Notes set forth opposite their names in the table below on the Issue Date at 100% of their principal amount less a combined management, underwriting and selling commission of 0.9% of the aggregate gross proceeds of the Notes:

Joint Bookrunners	Principal amount of Notes
BNP Paribas	US$120,416,667
Deutsche Bank AG, Singapore Branch	US$120,416,667
Merrill Lynch (Singapore) Pte. Ltd.	US$120,416,666
Citigroup Global Markets Singapore Pte. Ltd.	US$ 21,250,000
Credit Suisse (Singapore) Limited	US$ 21,250,000
UBS AG, Singapore Branch	US$ 21,250,000
Total	US$425,000,000

In addition, the Issuer has agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement provides that the Issuer and the Guarantors will indemnify the Joint Bookrunners against certain liabilities. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer.

Each of the Issuer and the Guarantors has agreed that it will not for a period of 90 days following the launch of this offering, without the prior written consent of the Joint Bookrunners, offer, sell or contract to sell, or otherwise dispose, or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by each of the Issuer and the Guarantors, their respective affiliates or any person in privity with any of the foregoing, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by any of the Issuer or the Guarantors.

The Joint Bookrunners and their affiliates have performed and may perform in the future various financial advisory, investment banking and commercial banking services for the Issuer, the Guarantors and each of their affiliates.

GENERAL

None of the Issuer, the Guarantors or the Joint Bookrunners makes any representation that any action will be taken in any jurisdiction by the Joint Bookrunners, the Issuer or the Guarantors that would permit a public offering of the Notes, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. The Joint Bookrunners will comply with all applicable laws and regulations in each jurisdiction in which they acquire, offer, sell or deliver Notes or distribute this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at their own expense. The Joint Bookrunners will also ensure that no obligations are imposed on the Issuer or the Guarantors in any such jurisdiction as a result of any of the foregoing actions. Neither the Issuer nor the Guarantors will have any responsibility for, and the Joint Bookrunners will obtain any consent, approval or permission required by them for, the acquisition, offer, sale or delivery by them of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they make any acquisition, offer, sale or delivery. The Joint Bookrunners is not authorized to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in, or which is consistent with, the Offering Circular (in final form) or any amendment or supplement to it.

UNITED STATES

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act.

EUROPEAN ECONOMIC AREA

The Offering Circular has been prepared on the basis that any offer of Notes in any member state of the European Economic Area (each, a "Member State") will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. The Offering Circular has not been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area or in any other jurisdiction. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU, and includes any relevant implementing measure in the Member State.

FRANCE

The Offering Circular has not been and will not be submitted to the clearance procedure (*visa*) nor approved by the *Autorité des marchés financiers* (the "**AMF**"). The Notes have not been and will not be, directly or indirectly, offered or sold to the public in France. The Offering Circular and any other documents or offering materials relating to the offering of the Notes may only be distributed or caused to distributed to: (i) qualified investors (*investisseurs qualifiés*) acting for their own account and/or (ii) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in, and in accordance with, Articles L. 411-2 and D. 411-1 of the French Financial and Monetary Code (*Code monétaire et financier)*.

The Notes so purchased may not be offered or resold, directly or indirectly, to the public in France other than in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Financial and Monetary Code (*Code monétaire et financier*).

HONG KONG

The Joint Bookrunners have represented and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; and

2. it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are, or are intended to be, disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

INDONESIA

This offering does not constitute a public offering in Indonesia under Law No. 8 of 1995 on Capital Market. The Offering Circular may not be distributed in Indonesia and the Notes may not be offered or sold in Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian residents, in a manner which constitutes a public offer under the laws of Indonesia.

SINGAPORE

The Joint Bookrunners have acknowledged that the Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Joint Bookrunners have represented, warranted and agreed that they have not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, the Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

(i) an institutional investor (as defined in Section 4A of the SFA);

(ii) a relevant person (as defined in Section 275(2) of the SFA); or

(iii) any person pursuant to an offer referred to in Section 275(1A) of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, in accordance with the conditions specified in Section 275 of the SFA;

(ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 275(1A) of the SFA, or (in the case of a trust) where the transfer arises from an offer that is made on terms that such rights or interests are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;

(iii) where no consideration is or will be given for the transfer; or

(iv) where the transfer is by operation of law.

UNITED KINGDOM

The Offering Circular is for distribution only to persons who (i) are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc".) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). The Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Circular relates is available only to relevant persons and will be engaged in only with relevant persons.

Each of the Joint Bookrunners has represented, warranted and agreed that:

1. it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity within the meaning of

section 21 of the FSMA received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

2. it has complied and will comply with all applicable provisions of the FSMA, the FSA 2012 and Regulation (EU) No 596/2014 on market abuse (market abuse regulation) and any delegated or implementing regulation made thereunder with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

ITALY

The offering of the Notes, the Offering Circular or any other document or material relating to the offering of the Notes, have not been and will not be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian laws and regulations.

Accordingly, the Notes may not, and will not, be offered, sold or delivered, directly or indirectly, and copies of this Offering Memorandum, any other offering circular, prospectus, form of application, advertisement, offering material or any other document or information relating to the Notes may not, and will not, be distributed, in the Republic of Italy, unless such offer, sale or delivery of Notes or distribution of copies of this Offering Memorandum or other documents relating to the Notes in the Republic of Italy is (i) made only to "qualified investors" (*investitori qualificati*), as defined by Article 26, first paragraph, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended, ("**Consob Regulation on Intermediaries**") pursuant to Article 100, paragraph 1, letter a), of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Italian Securities Act**") and Article 34-*ter*, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "**Regulation on Issuers**"); or (ii) in other circumstances which are exempt from the rules on public offerings pursuant to the Italian Securities Act, and its implementing CONSOB regulations (including the Regulation on Issuers), including, without limitation under Article 100 of the Italian Securities Act and Article 34-*ter* of the Regulation on Issuers, as amended.

Any such offers, sales or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, first paragraph, letter r), of the Italian Securities Act) permitted to conduct such activities in the Republic of Italy in accordance with the Italian Securities Act, Legislative Decree No. 385 of September 1, 1993, as amended, and CONSOB Regulation on Intermediaries, as amended, and

(b) in compliance with any other applicable requirement or limitation which may be imposed by CONSOB, the Bank of Italy, or any other relevant Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer, resale or delivery of the Notes by such investor occurs in compliance with applicable Italian laws and regulations.

SWITZERLAND

The Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither the Offering Circular nor any other offering or marketing material relating to the Issuer, the Guarantors or the Notes constitutes an offering prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations, and neither the Offering Circular nor any other offering or marketing material relating to the Issuer, the Guarantors or the Notes may be publicly distributed or otherwise made publicly available in Switzerland. The Notes will be offered in Switzerland and the Offering Circular and any other offering or marketing material relating to the Notes will be distributed or otherwise made available in Switzerland on a private placement basis only. No application has been or will be made to list the Notes on the SIX Swiss Exchange Ltd., and, consequently, neither the Offering Circular nor any other offering or marketing material relating to the Issuer, the Guarantors or the Notes constitutes a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. Holders are advised to contact their legal, financial or tax advisers to obtain an independent assessment of the financial and tax consequences of an investment in the Notes.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for us by Milbank, Tweed, Hadley & McCloy LLP as to matters of English law, Makes & Partners Law Firm as to matters of Indonesian law and Morgan Lewis Stamford LLC as to matters of Singapore law. Certain legal matters will be passed upon for the Joint Bookrunners by Shearman & Sterling (London) LLP as to matters of English law and Melli Darsa & Co. as to matters of Indonesian law.

INDEPENDENT AUDITORS

Our consolidated financial statements as of and for the years ended December 31, 2013 and 2014 included in this Offering Circular have been audited by Aryanto, Amir Jusuf, Mawar & Saptoto (a member firm of the RSM network), independent auditors, as stated in their report appearing herein. Our consolidated financial statements as of and for the year ended December 31, 2015 and as of and for the six months ended June 30, 2015 and 2016 included in this Offering Circular have been reviewed by Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member firm of the RSM network), independent auditors, as stated in their report appearing herein.

RATINGS

The Notes are expected to be rated "Ba3" by Moody's, "BB-" by Fitch and "B+" by Standard & Poor's. The credit ratings accorded the Notes are not a recommendation to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances to warrant. See "Risk Factors — Risks Relating to the Notes and the Guarantees — The ratings assigned to the Notes may be lowered or withdrawn entirely in the future".

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN FAS AND IFRS

Our consolidated financial statements included in this Offering Circular have been prepared in conformity with Indonesian Financial Accounting Standards (Indonesian FAS). Indonesian FAS consists of the Statement of Financial Accounting Standards (PSAK), their Interpretations (ISAK), and financial reporting rules issued by capital market authorities. Indonesian FAS differs in certain respects from International Financial Reporting Standards (IFRS). This summary should not be taken as an exhaustive list of all the differences between Indonesian FAS and IFRS. No attempt has been made to identify all disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in our financial statements (or notes thereto). Those differences that may have a material adverse effect on our financial statements are summarized below. Management has not quantified the effects of the differences discussed below. Accordingly, neither of us can assure you that our financial statements would not be materially different if prepared in accordance with IFRS.

The regulatory bodies that promulgate Indonesian FAS and IFRS have issued accounting standards which are not yet effective and have significant ongoing projects that could affect the differences between Indonesian FAS and IFRS described below. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS and how those differences might affect the financial information disclosed in this Offering Circular.

Business Combination

Under Indonesian FAS, acquisitions of subsidiaries and businesses are accounted for using the "acquisition method" similar to IFRS, except for acquisitions of entities under common control which are accounted for in the same manner as the "pooling of interest" method where net assets are transferred at their book value. The difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under "Difference in value of restructuring transaction among entities under common control" under stockholders' equity. Effective January 1, 2013, the difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under "Additional Paid-in Capital".

Under IFRS, an entity should account for each business combination by applying the "acquisition method". At acquisition date, all identifiable assets, liabilities and contingent liabilities acquired are measured at 100% of fair value (irrespective of the extent of non-controlling interest). All acquisition-related costs (e.g. finder's fees, professional fees, cost of maintaining an internal acquisition department) are recognized in profit and loss, except for costs incurred to issue debt or equity securities. The acquirer should recognize goodwill as at the acquisition date measured as the excess of the aggregate of (a) the consideration transferred at the acquisition date, plus the amount of any non-controlling interests, plus, in a business acquisition achieved in stages, the acquisition-date fair value of any previously-held equity interest in an entity acquired over (b) the net amount of acquisition-date identifiable assets acquired and liabilities assumed (measured in accordance with IFRS 3). If the value of (b) exceeds (a), and after a review of the procedures used to measure the related account is performed to ensure that the measurements appropriately reflect consideration of all available information as of the acquisition date, and an excess remains, the resulting gain is recognized as bargain purchase in profit and loss. Goodwill acquired in a business combination is not amortized but is tested for impairment annually. Also, under the revised IFRS 3, once control has been achieved, further transactions are accounted for as equity transactions when the parent company acquires further equity interests from non-controlling interests or disposes of an equity interest without losing control. Further, non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets (no goodwill is recorded for the non-controlling interest). Combination of entities under common control is outside the scope of IFRS 3.

Consolidated and Separate Financial Statements

Indonesian FAS does not allow a parent entity to present its own separate financial statements as standalone general purpose financial statements. Indonesia FAS stipulates that the separate financial statements have to be presented as supplementary information to the consolidated financial statements.

Under IFRS, a parent entity is allowed to present its own separate financial statements as standalone general purpose financial statements.

Revenue Recognition

The differences between Indonesian FAS and IFRS relating to revenue recognition are as follows:

- Under Indonesian FAS, revenue recognition is similar to revenue recognition under IFRS. However, certain industry-specific revenue recognition guidance may result in some measurement differences.

  The real estate industry recognizes revenues from the sale of houses, shophouses and other buildings of the same type (including land) using the full accrual method, if the conditions for each type of sale are met. Revenue recognition from the sale of condominiums, apartments, office buildings, shopping centers and other buildings of a similar type, as well as time share ownership units, uses the percentage of completion method if all of the criteria are met. If a real estate sale fails to meet all of the criteria of the full accrual method or the percentage of completion method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions/criteria are fulfilled.

- Under IFRS, revenue should be measured at the fair value of the consideration received or receivable. An exchange for goods or services of a similar nature and value is not regarded as a transaction that generates revenue. IFRS provides guidance for recognizing the specific categories of revenue such as sale of goods, rendering services, interest, royalties and dividends.

  In the real estate industry, entities that undertake the construction of real estate may enter into agreements with buyers before construction is complete. The entity should determine whether such agreement is within the scope of Construction Contracts under IAS 11 or Revenue under IAS 18 depending on the terms of the agreement and all the surrounding facts and circumstances. When the agreement is a construction contract, the entity shall recognize revenue by reference to the stage of completion of the contract activity in accordance with IAS 11. An expected loss on the construction contract shall be recognized as an expense immediately in accordance with paragraph 36 of IAS 11. When the agreement is for the rendering of services and criteria in paragraph 20 of IAS 18 are met, the entity shall recognize revenue by reference to the stage of completion of the transaction using the percentage of completion method. When the agreement is for the sale of goods, the entity shall recognize revenue in accordance with IAS 18 which depends on transfer of control, significant risk and rewards of ownership on real estate.

Land Rights

Indonesian FAS 16 is consistent with IAS 16 in all significant respects, except that Indonesian FAS 16 made reference to Interpretation to Indonesian Financial Accounting Standard (ISAK) 25 on which land that is held under Right to Build (HGB) or Right to Cultivate (HGU) or Right to Use (Hak Pakai) is not amortized unless there is an indication that the renewal or extension of the rights is not probable or cannot be obtained. Cost to obtain those rights for the first time are capitalized as fixed assets but subsequent costs to extend or renew the rights are recognized as intangible assets and then amortized based on paragraph 11 of ISAK 25.

Under IFRS, land normally has a definite economic life. If title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risks and rewards incidental to ownership, in which case the lease of land is an operating lease. For depreciable land, the depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life similar to property, plant and equipment. Deferred legal expenses on land rights are amortized depending on whether the land right represents an operating lease or a finance lease.

Income Tax

Under Indonesian FAS, computation of income tax is on entity level and not on a consolidation level.

Under IFRS, in consolidated financial statements, temporary differences in tax are determined by comparing the carrying amounts of assets and liabilities in the consolidated financial statements with the appropriate tax base. The tax base is determined by reference to a consolidated tax return in those jurisdictions in which such a return is filed. In other jurisdictions, the tax base is determined by reference to the tax returns of each entity in the group. A current tax asset of one entity in a group is offset against a current tax liability of another entity in the group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

GENERAL INFORMATION

(1) The Issuer was incorporated on April 30, 2012 as a Singapore private company with limited liability under the laws of the Republic of Singapore and its registration number is 201210707G. The registered office of the Issuer is located at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, the Republic of Singapore, and its telephone number at that address is +65 6538 0779.

(2) Kemang was incorporated on April 30, 2012 as a Singapore private company with limited liability under the laws of the Republic of Singapore and its registration number is 201210714G. The registered office of Kemang is located at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, the Republic of Singapore, and its telephone number at that address is +65 6538 0779.

(3) The Company was incorporated in Jakarta, Indonesia under the laws of the Republic of Indonesia and is registered with the Company Registration Office of Tangerang. The Company's registration number is 30.06.1.68.02162 dated October 26, 2015 which is valid until July 30, 2019. The Company's registered office is situated at 22nd Floor Manara Matahari, 7 Boulevard Palem Raya, Lippo Karawaci Central, Tangerang 15811, Indonesia.

(4) Copies of the Issuer's, Kemang's and the Company's articles of association and copies of the Trust Deed and the Agency Agreement will be available for inspection by any Noteholder during usual business hours on any weekday (except Saturdays and public holidays) at the Issuer's and Company's registered office, as applicable.

(5) The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg with a Common Code of 150608511. The International Securities Identification Number in respect of the Notes is XS1506085114.

(6) Where necessary, we have obtained all consents from our lenders for the issue of the Notes and the giving of the Guarantees.

(7) We have obtained all necessary consents, approvals and authorizations in the Republic of Singapore and Indonesia, as applicable, in connection with the issue and performance of the Notes and the Guarantees. The issue of the Notes by the Issuer has been authorized by a resolution of the board of directors of the Issuer dated October 14, 2016 and a resolution of the sole shareholder of the Issuer dated October 14, 2016. The entering into of Intercompany Loans by Kemang has been duly authorized by a resolution of the board of directors of Kemang dated October 14, 2016 and a resolution of the sole shareholder of Kemang dated October 14, 2016. The giving of the Guarantee given by the Company and the entering into an Intercompany Loan have been authorized by a resolution of the board of commissioners of the Company dated October 14, 2016 and a resolution of the board of directors of the Company dated October 14, 2016. The giving of the Guarantees by PT Sentra Dwimandiri, PT Wisma Jatim Propertindo, PT Megapratama Karya Persada and PT Primakreasi Propertindo have been authorized by resolutions of the board of directors, board of commissioners and the shareholders of each of these companies, each dated October 14, 2016.

(8) Aryanto, Amir Jusuf, Mawar & Saptoto (a member firm of the RSM network), an independent auditor, have audited and rendered an unqualified audit report on our consolidated financial statements for the years ended December 31, 2013 and 2014. Amir Abadi Jusuf, Aryanto, Mawar & Rekan (a member firm of the RSM network) have audited and reviewed our consolidated financial statements as of and for the year ended December 31, 2015 and the six months ended June 30, 2015 and 2016, respectively.

(9) Submission by us to the jurisdiction of the English courts, and the appointment of an agent for service of process, are valid and binding under Indonesian law. The choice of English law as the governing law, under the laws of the Republic of Indonesia, is a valid choice of law and should be honored by the courts of the Republic of Indonesia, subject to proof thereof and considerations of public policy. A judgment of a foreign (non-Indonesian) court will not be enforceable by the courts of Indonesia, although such a judgment could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court and would be given such evidentiary weight as the court may deem appropriate.

(10) So long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Definitive Certificates. In

addition, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Certificates, including details of the paying agent in Singapore.

(11) The Trustee is entitled under the Trust Deed to rely without liability to the Noteholders on certificates prepared by the directors of the Company accompanied by a certificate or report prepared by an internationally recognized firm of accountants to the Company whether or not addressed to the Trustee, and whether or not the same are subject to any limitation on the liability of the internationally recognized firm of accountants to the Company and whether by reference to a monetary cap or otherwise limited or excluded.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES

Interim Consolidated Financial Statements
As of June 30, 2016 (Unaudited) and December 31, 2015 (Audited) and
For the 6 (Six) Months Periods Ended June 30, 2016 and 2015 (Unaudited)

LIPPO
PT LIPPO KARAWACI TBK

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PT LIPPO KARAWACI TBK

DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 (SIX) MONTHS PERIOD ENDED JUNE 30, 2016

We the undersigned:

1. Name : Ketut Budi Wijaya
   Address : Menara Matahari Lt. 22
   Jln. Bulevar Palem Raya No. 7
   Lippo Karawaci, Tangerang 15811
   Residential Address (as in identity card) : Jln. Percetakan Negara II/3
   Johar Baru, Jakarta Pusat.
   Telephone : (021)2566 9000
   Title : President Director

2. Name : Richard Setiadi
   Address : Menara Matahari Lt. 22
   Jln. Bulevar Palem Raya No. 7
   Lippo Karawaci, Tangerang 15811
   Residential Address (as in identity card) : Jln. Hanoman Raya 20A RT 003/RW 009
   Rawa Buaya, Cengkareng, Jakarta Barat
   Telephone : (021)2566 9000
   Title : Finance Director

State that:

1. We are responsible for the preparation and the presentation of the interim consolidated financial statements of PT Lippo Karawaci Tbk ("the Company);

2. The Company's interim consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;

3. a. All information contained in the Company's interim consolidated financial statements is complete and correct;
   b. The Company's interim consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and

4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 7 October 2016
PT Lippo Karawaci Tbk

METERAI TEMPEL
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6000
ENAM RIBU RUPIAH

Ketut Budi Wijaya	**Richard Setiadi**
President Director	Finance Director

7 Boulevard Palem Raya # 22-00 Menara Matahari, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia
T. + 62 21 25 66 9000 | F. +62 21 2566 9098 / 99
www.lippokarawaci.co.id

RSM

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

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This report is originally issued in Indonesia language

Number : R/030.ARC-E/dwd/2016

Report on Review of Interim Financial Information

The Shareholders, Board of Commissioners, and Directors
PT Lippo Karawaci Tbk

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT Lippo Karawaci Tbk ("the Company") and its subsidiaries, which comprise the interim consolidated statement of financial position as of June 30, 2016, and interim consolidated statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the six months periods ended June 30, 2016 and 2015, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants ("IAPI"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by IAPI and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of PT Lippo Karawaci Tbk and its subsidiaries as of June 30, 2016, and their interim consolidated financial performance and cash flows for the six months periods ended June 30, 2016 and 2015, in accordance with Indonesian Financial Accounting Standards.

This report is originally issued in Indonesia language

Other Matters
We have previously audited in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants, the consolidated statement of financial position of PT Lippo Karawaci Tbk and its subsidiaries as of December 31, 2015, and the related consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended (not presented herein), and in our report dated February 26, 2016, we expressed an unmodified opinion on those consolidated financial statements.

This report has been prepared solely for inclusion in the Company's Offering Circular in connection with the plan of Bonds Offering and is not intended to be and should not be used for any other purposes.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Didik Wahyudiyanto
Public Accountant License Number: AP.0502

Jakarta, October 7, 2016

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of June 30, 2016 (Unaudited) and December 31, 2015 (Audited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	June 30, 2016 Rp	December 31, 2015 Rp
Current Assets			
Cash and Cash Equivalents	3, 10, 45, 47	1,773,352,379,166	1,839,366,003,277
Trade Accounts Receivable	4, 47		
Third Parties	45	1,787,699,889,995	1,424,217,469,472
Related Parties	10	7,208,964,750	10,130,038,169
Available-for-Sale Financial Assets	5, 47	6,344,718,054,858	5,869,063,440,408
Other Current Financial Assets	6, 43.d, 45, 47	2,430,479,577,196	2,928,088,914,567
Inventories	7	21,508,909,568,671	20,458,990,316,986
Prepaid Taxes	19.c	844,686,750,914	817,415,175,234
Prepaid Expenses	8, 43.b	279,798,678,056	229,665,665,157
Total Current Assets		34,976,853,863,606	33,576,937,023,270
Non-Current Assets			
Due from Related Parties Non-Trade	10, 47	31,677,975,932	37,093,485,060
Other Non-Current Financial Assets	9, 10, 45, 47	790,459,332,788	754,183,530,989
Investments in Associates	10, 11	157,259,390,664	153,843,414,817
Investments in Joint Venture	10, 12	227,986,055,584	231,427,318,896
Investment Property	13	420,417,925,215	417,000,308,256
Property and Equipment	14	2,868,297,166,172	2,731,532,523,878
Intangible Assets	15	541,910,953,055	534,930,482,004
Deferred Tax Assets	19.b	55,081,545,029	46,950,367,278
Advances	16	1,438,594,510,432	1,429,931,761,310
Land for Development	17	1,403,371,439,451	1,369,660,864,310
Other Non-Current Non-Financial Assets		76,495,685,856	43,067,097,981
Total Non-Current Assets		8,011,551,980,178	7,749,621,154,779
TOTAL ASSETS		**42,988,405,843,784**	**41,326,558,178,049**

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)
As of June 30, 2016 (Unaudited) and December 31, 2015 (Audited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	June 30, 2016 Rp	December 31, 2015 Rp
LIABILITIES			
Current Liabilities			
Trade Accounts Payable - Third Parties	20, 45, 47	1,190,985,363,736	782,916,296,824
Accrued Expenses	18, 45, 47	1,067,877,807,000	1,006,468,547,643
Taxes Payable	19.d	275,894,699,439	228,973,968,765
Short-Term Employment Benefits Liabilities	47	11,552,971,427	12,171,380,895
Short-Term Bank Loans	21, 47	1,612,913,618,071	962,173,564,967
Current Portion of Long-Term Liabilities	47		
Bank Loans	23	59,369,236,029	48,261,246,570
Finance Lease Obligation	24	4,651,669,212	--
Other Current Financial Liabilities	22, 47	519,178,396,390	339,865,932,700
Advances from Customers	27	2,139,845,313,533	863,192,440,180
Deferred Income	10, 28	396,419,521,425	480,093,178,686
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	131,577,159,117	132,766,996,702
Total Current Liabilities		7,410,265,755,379	4,856,883,553,932
Non-Current Liabilities			
Long-Term Bank Loans	23, 47	489,692,151,272	471,749,633,437
Finance Lease Obligation	24, 47	24,466,180,727	--
Due to Related Parties Non-Trade	10, 47	2,425,352,150	7,528,997,776
Bonds Payable	25, 45, 47	10,411,171,401,548	10,883,059,011,816
Other Non-Current Financial Liabilities	47	107,165,670,567	85,551,631,230
Long-Term Employment Benefits Liabilities	10, 26	312,706,115,359	311,085,515,426
Deferred Tax Liabilities	19.b	33,722,543,157	39,593,675,631
Advances from Customers	27	2,844,464,362,539	4,348,551,967,369
Deferred Income	10, 28	438,425,152,221	359,098,632,304
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	967,906,308,535	1,046,691,000,786
Total Non-Current Liabilities		15,632,145,238,075	17,552,910,065,775
Total Liabilities		**23,042,410,993,454**	**22,409,793,619,707**
EQUITY			
Equity Attributable to Owner of the Parent			
Capital Stock			
Par Value - Rp100			
Authorized Capital - 64,000,000,000 shares			
Issued and Fully Paid - 23,077,689,619 shares	30	2,307,768,961,900	2,307,768,961,900
Additional Paid-in Capital - Net	31	4,063,148,621,880	4,063,148,621,880
Difference in Transactions with Non-Controlling Interest	32	1,551,184,427,661	1,551,184,427,661
Other Equity Components	33	1,105,101,368,218	1,105,101,368,218
Treasury Stock	30	(216,524,113,794)	(216,524,113,794)
Retained Earnings		7,541,968,600,644	7,101,438,271,572
Other Comprehensive Income	35	816,854,870,107	482,023,339,014
Total Equity Attributable to Owner of the Parent		**17,169,502,736,616**	**16,394,140,876,451**
Non-Controlling Interests	36	**2,776,492,113,714**	**2,522,623,681,891**
Total Equity		**19,945,994,850,330**	**18,916,764,558,342**
TOTAL LIABILITIES AND EQUITY		**42,988,405,843,784**	**41,326,558,178,049**

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the 6 (Six) Months Periods Ended June 30, 2016 and 2015 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2016 (6 Months) Rp	2015 (6 Months) Rp
REVENUES	10, 37	5,108,851,648,724	4,681,005,085,248
Final Tax Expenses	19.a	(115,921,403,785)	(119,713,736,787)
NET REVENUES		**4,992,930,244,939**	**4,561,291,348,461**
COST OF REVENUES	38	(2,822,265,747,347)	(2,493,218,398,252)
GROSS PROFIT		**2,170,664,497,592**	**2,068,072,950,209**
Operating Expenses	10, 39	(1,325,071,539,365)	(1,047,321,126,388)
Other Income	41	268,655,320,503	185,489,136,597
Other Expenses	41	(107,058,328,813)	(35,281,115,303)
PROFIT FROM OPERATIONS		**1,007,189,949,917**	**1,170,959,845,115**
Financial Charges - Net	40	(158,534,788,990)	(54,074,219,472)
Share in the Profit of Associates and Joint Venture	11, 12	4,474,712,535	5,178,963,380
PROFIT BEFORE TAX		**853,129,873,462**	**1,122,064,589,023**
Tax Expenses	19.a	(135,633,376,746)	(136,613,661,040)
PROFIT FOR THE PERIOD		**717,496,496,716**	**985,450,927,983**
OTHER COMPREHENSIVE INCOME			
Other Comprehenshive Income Items that will not be Reclassified Subsequently to Profit or Loss			
Gain from Remeasurement of Defined Benefits Plan		22,411,363,355	63,178,258,568
Income Tax Related to Items that will not be Reclassified Subsequently to Profit or Loss		(1,249,454,433)	(14,482,795,234)
Other Comprehenshive Income Items that will be Reclassified Subsequently to Profit or Loss:			
Loss from Translation of Financial Statements		(58,315,820,871)	(134,928,170,091)
Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets		433,355,914,584	823,739,952,310
Reclasification Adjustment on Loss Available-for-Sale Financial Assets in Profit or Loss		--	(15,437,851,660)
Income Tax Related to Items that will be Reclassified Subsequently to Profit or Loss		--	24,057,826
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**396,202,002,635**	**722,093,451,719**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,113,698,499,351**	**1,707,544,379,702**
Profit for the Period Attributable to:			
Owner of the Parent		495,902,941,837	701,451,036,211
Non-Controlling Interests		221,593,554,879	283,999,891,772
		717,496,496,716	**985,450,927,983**
Total Comprehensive Income for the Period Attributable to:			
Owner of the Parent		855,361,860,165	1,411,838,123,896
Non-Controlling Interests		258,336,639,186	295,706,255,806
		1,113,698,499,351	**1,707,544,379,702**
EARNINGS PER SHARE			
Basic, Profit for the Period Attributable to Ordinary Shareholders of the Parent	42	21.78	30.80

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the 6 (Six) Months Periods Ended June 30, 2016 and 2015 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

		Total Equity Attributable to Owner of the Parent												
			Additional Paid-in Capital - Net				Retained Earnings		Other Comprehensive Income					
	Notes	Issued and Fully Paid Capital Stock Rp	Paid-in Capital Excess of Par - Net Rp	Difference in Value from Restructuring Transactions between Entities Under Common Control- Net Rp	Difference in Transactions with Non-Controlling Interest Rp	Treasury Stock Rp	Appropriated Rp	Unappropriated *) Rp	Translation of Financial Statements Rp	Available for Sale Financial Assets Rp	Other Equity Component Rp	Total Rp	Non-Controlling Interest Rp	Total Equity Rp
BALANCE AS OF JANUARY 1, 2015		2,307,768,961,900	4,043,613,274,615	19,535,347,265	529,570,372,012	(216,524,113,794)	8,000,000,000	6,950,145,769,167	670,172,145,549	170,197,156,625	1,105,101,368,218	15,587,580,281,557	2,033,249,666,540	17,620,829,948,097
Equity Changes in 2015														
Non-Controlling Interest		--	--	--	--	--	--	--	--	--	--	--	12,000,000,000	12,000,000,000
Acquisition Shares of Non-Controlling Interest	32	--	--	--	21,032,865,780	--	--	--	--	--	--	21,032,865,780	(61,725,393,344)	(40,692,527,564)
Disposal of Shares in Subsidiary	32	--	--	--	1,000,581,189,869	--	--	--	--	--	--	1,000,581,189,869	136,218,810,131	1,136,800,000,000
Cash Dividend and Reserved Fund	34	--	--	--	--	--	1,000,000,000	(381,000,000,000)	--	--	--	(380,000,000,000)	-	(380,000,000,000)
Acquisition of Shares in Subsidiary		--	--	--	--	--	--	--	--	16,463,380,674	--	16,463,380,674	37,004,196,713	53,467,577,387
Dividend Distribution In Subsidiaries		--	--	--	--	--	--	--	--	--	--	--	(133,832,186,089)	(133,832,186,089)
Profit for The Period		--	--	--	--	--	--	701,451,036,211	--	--	--	701,451,036,211	283,999,891,772	985,450,927,983
Other Comprehensive Income for the Period		--	--	--	--	--	--	37,013,157,126	(134,928,170,091)	808,302,100,650	--	710,387,087,685	11,706,364,034	722,093,451,719
BALANCE AS OF JUNE 30, 2015		2,307,768,961,900	4,043,613,274,615	19,535,347,265	1,551,184,427,661	(216,524,113,794)	9,000,000,000	7,307,609,962,504	535,243,975,458	994,962,637,949	1,105,101,368,218	17,657,495,841,776	2,318,621,349,757	19,976,117,191,533
BALANCE AS OF JANUARY 1, 2016		2,307,768,961,900	4,043,613,274,615	19,535,347,265	1,551,184,427,661	(216,524,113,794)	9,000,000,000	7,092,438,271,572	426,111,052,423	55,912,286,591	1,105,101,368,218	16,394,140,876,451	2,522,623,681,891	18,916,764,558,342
Equity Changes in 2016														
Cash Dividend and Reserved Fund	34	--	--	--	--	--	1,000,000,000	(81,000,000,000)	--	--	--	(80,000,000,000)	--	(80,000,000,000)
Dividend Distribution In Subsidiaries		--	--	--	--	--	--	--	--	--	--	--	(4,468,207,363)	(4,468,207,363)
Profit for The Period		--	--	--	--	--	--	495,902,941,837	--	--	--	495,902,941,837	221,593,554,879	717,496,496,716
Other Comprehensive Income for the Period		--	--	--	--	--	--	24,627,387,235	(58,315,820,871)	393,147,351,964	--	359,458,918,328	36,743,084,307	396,202,002,635
BALANCE AS OF JUNE 30, 2016		2,307,768,961,900	4,043,613,274,615	19,535,347,265	1,551,184,427,661	(216,524,113,794)	10,000,000,000	7,531,968,600,644	367,795,231,552	449,059,638,555	1,105,101,368,218	17,169,502,736,616	2,776,492,113,714	19,945,994,850,330

*) Included Remeasurement of Defined Benefits Plan

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the 6 (Six) Months Periods Ended June 30, 2016 and 2015 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

	2016 (6 Months) Rp	2015 (6 Months) Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from Customers	4,507,369,415,378	4,291,494,255,230
Payments to Suppliers and Other Third Parties	(3,408,917,499,470)	(4,852,416,024,583)
Payments to Employees	(724,380,913,984)	(562,507,321,878)
Interest Received	38,218,778,612	47,043,107,884
Interest Payments	(566,064,570,573)	(361,823,461,466)
Taxes Payments	(277,223,652,887)	(317,069,609,302)
Net Cash Used in Operating Activities	(430,998,442,924)	(1,755,279,054,115)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt of Hotel and Hospital Performance Guarantee	70,500,000,000	--
Property and Equipment and Software		
Disposal	97,672,531	34,084,005
Acquisition	(303,346,959,303)	(259,679,419,234)
Receipt of Dividend	287,506,229,363	225,846,554,808
Placement of other investment	(19,245,172,400)	--
Acquisition of Investment Property	(12,803,286,409)	--
Placement of Restricted Funds	(17,030,629,399)	(14,907,009,089)
Disposal of Share in Subsidiary	--	1,136,800,000,000
Acquisition of Subsidiary Net of Cash Receipt	1,417,067,268	--
Placement of Advances	(196,918,941,872)	(654,200,377,487)
Placement of Investment in Promissory Notes	--	(10,206,914,400)
Placement of Investments in Mutual Fund	(32,500,000,000)	(43,000,000,000)
Placement of Investments in Bond	--	(10,000,000,000)
Disposal of Investments in Association	--	(38,589,000,000)
Placement of Investments in Joint Venture	--	(111,357,207,223)
Disposal of Available-for-Sale Financial Assets	--	62,139,466,275
Acquisition Share of Non-Controlling Interest in Subsidiaries	--	(40,692,527,564)
Net Cash Provided by (Used in) Investing Activities	(222,324,020,221)	242,187,650,091
CASH FLOWS FROM FINANCING ACTIVITIES		
Received from Non-Controlling Interest	--	12,000,000,000
Payment Finance Lease Liability	(1,120,141,447)	--
Dividend Distribution to:		
Owner of the Parent	(80,000,000,000)	--
Non-Controlling Interests	(4,468,207,363)	(133,832,186,089)
Received from (Payment to) Related Parties - Net	311,863,502	(20,576,800,024)
Bank Loans		
Received	1,335,771,184,142	120,000,000,000
Payments	(655,980,623,744)	(26,715,609,563)
Net Cash Provided by (Used in) Financing Activities	594,514,075,090	(49,124,595,676)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(58,808,388,055)	(1,562,215,999,700)
Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the Period	(7,205,236,056)	24,041,452,175
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,839,366,003,277	3,582,643,822,338
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**1,773,352,379,166**	**2,044,469,274,813**

Additional informations that does not affect the activity of cash flows are presented in Note 49.

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

1. General

1.a. The Company's Establishment

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 30 dated July 3, 2015, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange of the Company's article of association. The change of deed was received and recorded by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.03.0951738 dated July 15, 2015.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers and sports centers, supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's and subsidiaries (Group) main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and subsidiaries, includes Sumatera, Java, Bali, Borneo, Sulawesi, Nusa Tenggara and several subsidiaries domiciled in Singapore, Malaysia, British Virgin Island, Vanuatu and Seychelles.

The Company is domiciled at Jl Boulevard Palem Raya No. 7, Menara Matahari 22nd - 23rd Floor, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

1.b. The Company's Initial Public Offering

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed in the Indonesian Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in the Indonesian Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares which increased the Company's total outstanding shares to 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

In 2004, the Company offered 881,905,813 common shares at par value of Rp500 to the stockholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to stockholders who exercised their rights in the Limited PublicOffering II. This offering was approved by the Decree of the Chairman of Bapepam-LK in his Letter No. S-3357/PM/2004 dated October 29, 2004. These shares were listed in the Indonesian Stock Exchange on January 20, 2005.

On July 28, 2006, the Company exercised stock split from one to two shares. The outstanding 5,871,017,072 shares as of December 31, 2006 have been listed in the Indonesian Stock Exchange.

On December 26, 2007, the Company exercised stock split from Rp 250 to Rp100 per share. The outstanding 17,302,151,695 shares as of December 31, 2007 have been listed in the Indonesian Stock Exchange.

In December 2010, the Company offered 4,325,537,924 common shares with a par value of Rp100 to the stockholders through Limited Public Offering III. This offering has received an effective notice of registration statement through the letter of the Chairman of Bapepam-LK No. S-10674/BL/2010, dated November 29, 2010 and was approved by the stockholders through a resolution of the EGM on same date. On December 29, 2010 these shares were listed in the Indonesian Stock Exchange.

Based on the Deed of Extraordinary General Meeting of Stockholders (EGMS) No. 02 dated May 3, 2010 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, which was recently updated by the Deed of EGMS Resolution No. 13 dated March 9, 2011, made in the presence of same notary, the stockholders approved the issuance of new shares within the framework of the Non Preemptive Rights Issuance (NPRI) with a maximum of 10% of paid-in capital or 2,162,768,961 shares. The NPRI can be implemented at once and / or gradually within a year of 2 (two) years as approved by the EGMS. On June 6, 2011, the addition of 1,450,000,000 shares has been issued. The new shares were listed in the Indonesian Stock Exchange on June 8, 2011.

Based on the Deed of EGMS No. 19 dated November 15, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, the shareholders approved the repurchase (buyback) of outstanding shares. In 2011, the number of shares repurchased amounted to 96,229,500 shares, bringing the total number of ordinary shares outstanding as of the December 31, 2011 amounted to 22,981,460,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 005/LK-COS/I/2012 dated January 13, 2012.

The repurchased of the outstanding ordinary shares made in 2012 totalling 209,875,000 shares, bringing the outstanding shares as of December 31, 2012 amounted to 22,771,585,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

1.c. Structure of the Company and it subsidiaries (Group)

The Details of subsidiaries consolidated in the interim consolidated financial statements are as follows:

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Jun 30, 2016 Rp	Dec 31, 2015 Rp
Theta Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	10,945,052,658,961	11,422,760,431,696
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	10,883,225,175,761	11,347,225,059,287
Sigma Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	4,959,256,525	5,211,394,537
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,754,002,144	4,985,955,682
Lippo Karawaci Corporation Pte Ltd**** and subsidiaries	Singapore	Investment, Trading and Services	100.00%	--	--	578,812,937,180	536,104,452,256
LK Reit Management Pte Ltd**** and subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	578,812,946,951	536,104,462,007
Bowsprit Capital Corporation Ltd****	Singapore	Investment, Trading and Services	--	100.00%	2006	578,812,937,180	536,104,452,256
Jesselton Investment Limited*** and subsidiaries	Malaysia	Investment, Trading and Services	100.00%	--	--	520,545,206,275	500,438,252,026
Peninsula Investment Limited*** and subsidiary	Malaysia	Investment, Trading and Services	--	100.00%	--	520,545,219,455	500,438,265,821
LMIRT Management Ltd ****	Singapore	Investment, Trading and Services	--	100.00%	2007	501,300,033,875	500,438,252,026

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Primakreasi Propertindo and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	99.99%	0.01%	--	10,475,766,776,961	10,192,368,427,422
PT Mujur Sakti Graha and subsidiaries	Tangerang	Real Estate	--	100.00%	--	59,420,699,657	48,223,381,969
PT Surplus Multi Makmur and subsidiary	Jakarta	Real Estate	--	90.00%	--	78,462,930,447	67,263,961,296
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--	78,468,644,426	67,269,439,275
PT Puri Paragon	Tangerang	Development, Trading and Services	--	100.00%	--	580,592,942	580,592,942
PT Menara Tirta Indah	Tangerang	Development, Trading and Services	--	100.00%	--	626,230,813,457	589,769,816,739
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	20,148,772,609	20,153,153,609
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	5,711,907,539	5,783,526,903
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	9,376,822,222	10,948,173,364
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	107,383,369,535	107,371,000,238
PT Safira Prima Utama (2.14% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	961,753,475,303	962,085,510,656
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--	1,061,115,521,791	1,061,156,484,719
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,870,441,133	62,855,297,333
PT Graha Solusi Mandiri and subsidiary	Jakarta	Services	--	100.00%	--	116,204,094,151	115,840,230,785
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	80.00%	--	126,269,155	126,269,155
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	835,940,480	836,815,072
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	98,087,249,437	98,085,547,608
PT Mandiri Cipta Gemilang and subsidiaries	Jakarta	Real Estate	--	100.00%	2003	5,479,894,225,616	5,359,772,584,370
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	179,036,009,300	152,735,911,089
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2013	176,120,513,902	165,184,501,524
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,465,789,477	2,466,061,055
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	343,548,425,114	343,382,182,073
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	60,984,551,264	67,518,029,603
PT Bimasakti Jaya Abadi and subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	713,027,001,380	692,440,162,336
PT Kuta Beach Paragon and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	523,539,769,725	496,342,111,971
PT Graha Buana Utama and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	523,434,572,947	496,236,767,718
PT Berkat Langgeng Jaya and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	524,001,394,947	496,803,589,718
PT Pamor Paramita Utama and subsidiaries	Badung	Development, Trading and Services	--	100.00%	2013	515,067,439,111	487,350,358,983
PT Kridakarya Anugerah Utama [2])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Kencana Agung Pratama [2])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Trimulia Kencana Abadi [2])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	4,041,556,478	4,041,556,478
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	2016	491,375,656,053	439,260,589,848
PT Danisa Indah Cipta and subsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	506,659,695	525,051,461
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	88,998,540	82,825,717
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,709,916,133	3,741,589,528
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,976,937,166	1,976,952,108
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	54,050,999,896	54,201,213,000
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,565,498,523	15,566,114,296

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	66,377,921,724	52,883,372,764
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	2,066,243,660	1,986,816,333
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	586,318,750	586,968,750
PT Lautan Sinar Abadi	Tangerang	Development, Trading and Services	--	100.00%	--	1,356,033,288	1,356,033,288
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	583,750,000	583,750,000
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,249,413,535	5,111,793,383
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	46,473,065,271	36,717,871,271
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,236,745,343	11,236,947,569
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,320,667,400	2,325,167,400
PT Bumi Aurum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--	64,640,837,644	63,588,734,445
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	58,705,000	58,705,000
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	70.00%	2013	1,055,279,534,815	1,011,670,328,438
PT Jayadipta Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,320,667,400	2,325,167,400
PT Bumi Sindang Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	141,213,197	141,213,197
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	568,319,338	588,161,989
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	2016	89,874,299,217	66,123,746,499
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	596,742,680	595,515,923
PT Sekawan Dunia Dinamika	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	581,500,000
PT Citra Dwi Anugrah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	519,780,515	519,780,515
PT Pelangi Mutiara Timur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	515,738,855	518,509,311
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	481,527,227	486,389,017
PT Sinar Biru Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,500,000	581,500,000
PT Tunggal Mekar Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,600,000	583,000,000
PT Bowsprit Asset Management and subsidiaries	Jakarta	Investment Trading	--	100.00%	2015	26,854,319,871	24,034,423,490
PT Prima Asset Gemilang and subsidiaries [1])		Investment Trading	--	100.00%	--	180,000,000	--
PT Cipta Properti Sejahtera [1])		Investment Trading	--	100.00%	--	60,000,000	--
PT Kencana Swastika Mandiri [1])		Investment Trading	--	100.00%	--	60,000,000	--
PT Andakara Surya Cipta [1])		Investment Trading	--	100.00%	--	60,000,000	--
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	217,592,261	217,191,186
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	30,350,000	30,350,000
PT Mentari Adi Perkasa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	997,755,000	997,755,000
PT Berdikari Jaya Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	70,855,000	72,255,000
PT Lumbung Mas Trijaya and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	813,289,346,015	870,735,577,840

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Dec 31, 2015 Rp
PT Karyatama Buana Cemerlang and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	733,295,286,410	790,741,518,236
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	2014	690,852,771,575	730,423,687,982
PT Dwi Prabu Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Sumber Pundi Sejahtera	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,952,892,513	10,970,562,500
PT Prabu Cipta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,317,500	581,517,500
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--	5,908,060,428	5,908,209,435
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	124,618,923,515	89,752,402,218
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,205,021,571	72,205,241,071
PT Suar Lintas Samudra	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	581,500,000
PT Berkat Samiguna Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	572,000,000	574,000,000
PT Global Lintas Multitama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,600,000	584,000,000
PT Sarana Ciptakarya Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	581,500,000
PT Mitra Samiguna Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	9,977,001,000	9,977,026,000
PT Cipta Mutiara Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	149,977,000,000	149,978,000,000
PT Suar Mutiara Semesta	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,400,000	584,000,000
PT Manyala Harapan	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	97,538,258,075	92,685,594,499
PT Suar Lintas Benua and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	864,990,000	863,650,000
PT BST Kupang Sejahtera	Jakarta	Development, Trading, Printing and Services	--	50.10%	--	600,000,000	600,000,000
PT Mulia Cipta Wibawa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	579,500,000	582,500,000
PT Andromeda Sakti	Tangerang	Development, Trading, Printing Transportation Agriculture Workshops and Services	--	100.00%	2015	148,496,681,159	102,013,197,250
PT Persada Mandiri Jaya	Jakarta	Development, Trading, and Services	--	55.00%	--	586,500,000	586,500,000
PT Bandha Mulia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,154,450,000	11,154,600,000
PT Dutamas Cakra Tunggal	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	582,159,730	583,559,730
PT Indocitra Mulia Pratama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,522,275,270	1,313,000,953
PT Praja Adikara Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	8,448,682,052	3,048,283,917
PT Prima Sentosa Jaya Abadi	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	586,950,000	586,950,000
PT Indahjaya Sukses Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,375,000	588,375,000
PT Mandara Nusa Loka	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	588,350,000
PT Garda Utama Manado	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	588,350,000
PT Cipta Bakti Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,250,935,013	1,094,236,892

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Binaman Cipta Mandiri	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	39,509,321,832	39,508,475,332
PT Sentra Dwimandiri and subsidiaries (1.63% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	99.99%	0.01%	--	6,216,931,875,334	5,855,097,222,765
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	566,439,123	566,439,123
PT Sentra Realtindo Development and subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Care	--	100.00%	2001	159,487,127,458	143,912,331,574
PT Darma Sarana Nusa Pratama and subsidiary	Tangerang	Real Estate	--	52.70%	1997	84,256,882,280	72,905,668,870
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	8,516,318,690	7,359,760,353
PT Golden Pradamas and subsidiaries	Tangerang	Real Estate	--	100.00%	--	709,660,666,181	733,793,521,174
PT Mulia Bangun Semesta and subsidiaries	Tangerang	Real Estate	--	100.00%	2002	781,706,640,190	811,992,028,933
PT Villa Permata Cibodas and subsidiaries	Tangerang	Real Estate	--	100.00%	1995	267,290,803,583	298,803,357,037
PT Puncak Resort International and subsidiaries	Cianjur	Real Estate	--	99.99%	1994	76,735,807,232	76,183,843,809
PT Dona Indo Prima	Tangerang	Real Estate	--	100.00%	--	41,078,268,776	41,078,593,520
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,670,619,374	22,670,912,374
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	9,351,701,522	9,351,288,266
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,181,802,068	7,181,954,068
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,824,145,812	1,824,438,812
PT Sukmaprima Sejahtera	Tangerang	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Villapermata Gemilang Abadi	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bumi Sawarna Indah	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mulia Sentosa Dinamika (4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997	389,951,577,722	402,589,982,356
PT Sentra Asritama Realty Development and subsidiaries	Tangerang	Installation and Water Treatment	--	100.00%	1994	217,017,618,353	204,103,464,536
PT Tata Mandiri Daerah Lippo Karawaci and susidiary	Tangerang	Town Management	--	100.00%	1999	210,989,376,850	187,450,907,583
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	99.99%	--	20,329,460,221	20,330,325,285
PT Karya Bersama Jaya	Jakarta	Installation and Water Treatment		100.00%	2010	37,316,153,302	32,890,064,172
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,360,572,609	33,361,768,217
PT Saptapersada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	7,688,310,633	7,844,810,637
PT Sejatijaya Selaras	Jakarta	Real Estate	--	100.00%	--	13,199,461,612	13,200,319,878
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,699,321,769	16,700,451,232
PT Sentra Office Realty	Tangerang	Development	--	100.00%	1998	722,781,760	722,781,760
PT Dinamika Intertrans	Jakarta	Transportation	--	100.00%	1994	1,229,313,277	1,157,602,808
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	464,954,500	465,520,500
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,551,285,213	2,551,501,213
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	156,484,420	157,053,301
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	5,677,708	5,913,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	5,296,966	5,532,966
PT Manunggal Bumi Sejahtera and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	587,401,743,979	531,233,655,665
PT Asiatic Sejahterah Finance	Tangerang	Development, Trading, Printing and Services	--	100.00%	2009	533,551,509,487	427,015,850,305
PT Paragon City	Jakarta	Real Estate and Trading	--	100.00%	--	15,719,173,115	15,695,892,615
PT Padang Indah City	Padang	Trading Development and Services	--	100.00%	--	16,718,990,228	16,720,547,228
Bridgewater International Ltd***	Seychelles	Investment and Trading	--	100.00%	2006	4,555,798,737,756	4,260,614,432,503
Pan Asian Investment Ltd*** and subsidiary	Vanuatu	Trading	--	100.00%	--	6,790,208,086	6,790,208,086
Cromwell Investment Ltd***	Vanuatu	Trading	--	100.00%	--	16,930	16,930
PT Lippo Karawaci Infrastructure & Utilitas Division and subsidiary	Tangerang	Construction and Services	--	100.00%	--	10,217,605,516	10,217,805,495
PT TMD Manado Manajemen	Tangerang	Management Consulting	--	100.00%	--	10,000,000,000	10,000,000,000
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	97,537,530,697	102,088,788,768
Evodia Strategic Investment Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	488,549,995,330	487,549,995,340
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	2014	18,658,457,828	14,761,833,436
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	45,682,227,783	32,036,078,824
PT TMD Depok Manajemen	Depok	Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentrasemesta Indah Cemerlang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Wisma Jatim Propertindo and subsidiaries (1.23% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Services	100.00%	--	--	6,241,534,851,211	5,752,773,130,589
PT Maharama Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk and 0.05% ownership in PT Siloam International Hospitals Tbk)	Jakarta	Trading	--	100.00%	--	274,316,000	274,316,000
PT Kemang Paragon Mall and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	2,939,557,540,596	3,208,720,342,821
PT Wahana Usaha Makmur and subsidiaries	Jakarta	Real Estate	--	100.00%	--	1,455,554,113,063	1,724,714,244,769
PT Almaron Perkasa and subsidiaries	Jakarta	Real Estate	--	100.00%	2005	1,437,715,519,718	1,706,872,089,223
PT Agung Indah Selaras	Jakarta	Real Estate and Urban Development	--	100.00%	--	600,000,000	--
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	100.00%	2013	258,928,390,781	259,062,090,279
PT Prima Aman Sarana	Jakarta	Services	--	100.00%	--	150,307,148,870	139,139,604,503
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	100.00%	2013	86,525,749,331	36,470,032,019
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2014	39,709,196,592	22,733,502,448
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	2014	28,011,011,347	19,338,125,177
PT Lipposindo Abadi and subsidiaries	Jakarta	Trading	--	100.00%	--	238,240,617,252	238,242,381,539
PT Kemuning Satiatama and subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,328,047,179	233,329,575,466

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Megachandra Karyalestari	Jakarta	Trading	--	100.00%	1992*	283,171,123	283,171,674
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	569,238,944	569,474,944
PT Sentrakharisma Indah and subsidiary	Jakarta	Services	--	100.00%	--	2,170,538,384	2,171,594,120
PT Sentra Goldhill Business Park	Jakarta	Services		90.00%	--	--	--
PT Carakatama Dirgantara and subsidiary	Jakarta	Trading	--	100.00%	--	68,472,987,577	68,923,066,067
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	68,458,897,207	68,908,990,902
PT Ariasindo Sejati and subsidiaries	Jakarta	Trading and Services	--	95.00%	--	179,588,340,489	182,440,215,774
PT Unitech Prima Indah and subsidiary	Tangerang	Real Estate	--	94.69%	2004	191,258,390,901	189,416,530,150
PT Karya Cipta Pesona	Medan	Accomodation service provider	--	94.69%	2014	65,777,689,436	68,932,342,486
PT Puri Istana Megah and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	644,950,000	647,400,000
PT Pusaka Sumber Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	772,800,000	591,225,000
PT Metropolitan Leisure Corporation and subsidiaries	Jakarta	Trading and Services	--	100.00%	--	39,256,305,436	38,834,979,960
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	136,613,926	139,767,149
PT Graha Tata Cemerlang Makassar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	35,967,162,983	35,542,419,390
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	257,117,145	257,117,145
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003	2,895,674,245	2,895,674,245
PT Karunia Persada Raya and subsidiary	Tangerang	Trading	--	100.00%	--	93,447,181,453	86,368,298,496
PT Pendopo Niaga	Malang	Real Estate	--	100.00%	2004	93,447,181,453	86,368,298,496
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	19,494,420	19,730,420
PT Bathara Brahma Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*	4,785,620,201	4,790,614,247
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	518,612,727	344,735,579
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	113,358,091	113,543,879
PT Karunia Alam Damai and subsidiary	Jakarta	Trading	--	100.00%	--	208,241,737,525	203,190,705,028
PT Jagatpertala Nusantara	Depok	Real Estate	--	100.00%	2004	208,241,737,525	203,190,705,028
PT Muliamukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	9,920,861,200	--
PT Kemang Village and subsidiaries	Jakarta	Trading	--	100.00%	--	287,162,754,304	281,636,959,741
PT Menara Bhumimegah and subsidiaries	Jakarta	Services	--	100.00%	2005	187,681,299,351	183,324,266,430
PT Jaya Usaha Prima and subsidiary	Jakarta	Real Estate	--	99.90%	--	122,580,666,942	118,223,401,559
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	122,578,694,942	118,221,429,559
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	99,995,089,229	98,826,140,559
PT Menara Perkasa Megah and subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	480,097,654,277	501,976,724,625
PT Pelangi Cahaya Intan Makmur and subsidiaries	Surabaya	Trading	--	85.00%	--	390,432,958,215	412,311,793,261
PT Surya Mitra Jaya and subsidiary	Sidoarjo	Trading and Services	--	85.00%	2005	390,618,517,662	391,444,673,035
PT Citra Harapan Baru	Surabaya	Accomodation	--	87.50%	--	2,000,000,000	2,000,000,000
PT Buana Mediatama	Tangerang	Development Trading and Services	--	100.00%	--	599,000,000	559,800,000
PT Niaga Utama	Jakarta	Trading	--	100.00%	--	100,100,000	100,750,000
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--	1,887,217,700	1,887,217,700
PT Kreasi Megatama Gemilang and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Industri, Agrobisnis, Transportation, Trading and Services	--	100.00%	--	1,060,987,271,627	1,004,411,143,767
PT Lippo Malls Indonesia and subsidiaries (2.73% ownership in PT Lippo Cikarang Tbk)	Tangerang	Services	--	100.00%	2002	1,069,035,661,525	1,012,073,038,335
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	14,180,820,179	5,494,973,738
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	79,431,447,926	79,581,597,600
PT Mulia Citra Abadi and subsidiaries	Yogyakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	2012	517,414,114,328	498,831,588,231
PT Muliacipta Sarana Sukses [2])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	600,000,000
PT Manunggal Megah Serasi [2])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	600,000,000
PT Andhikarya Sukses Pratama [2])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	600,000,000
PT Nusa Bahana Semesta	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Sky Parking Indonesia and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	66,975,719,525	43,855,908,044
PT Sky Parking Nusantara and subsidiaries [2])	Tangerang	Development, Trading and Services	--	70.00%	--	66,975,220,525	43,855,233,044
PT Sky Parking Utama [2])	Tangerang	Development, Trading and Services	--	70.00%	2015	44,229,840,127	43,853,632,333
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	2014	22,742,225,564	33,836,430,746
PT Gayana Sumber Cipta and subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	709,550,000	709,550,000
PT Gaharu Alam Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	552,550,000	552,550,000
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	552,550,000	552,550,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	550,950,000	550,950,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Lembayung Karya Nirwana	Jakarta	Development, Trading and Services	--	100.00%	--	559,550,000	559,550,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	559,550,000	559,550,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	251,896,394,497	251,476,498,945
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	100.00%	--	1,303,083,288	1,303,083,288
PT Asia Premier Property [1])	Tangerang	Development, Trading and Services	--	100.00%	--	2,000,000,000	--
PT Saputra Karya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Surabaya	Real Estate and Urban Development	--	100.00%	--	246,519,494,575	124,395,714,267
PT Grand Provita and subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	464,646,900	464,646,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	5,348,100	5,348,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	14,122,400	14,122,400
PT Anugerah Bahagia Abadi and subsidiaries	Jakarta	Real Estate	--	100.00%	--	529,504,621,383	527,642,541,736
PT Internusa Prima Abadi	Jakarta	Real Estate	--	85.00%	--	529,501,670,514	527,639,590,865
PT Bangun Bina Bersama and subsidiary	Jakarta	Real Estate	--	85.00%	--	529,016,153,015	527,154,073,365
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	85.00%	--	157,319,166,678	157,058,282,729
PT Mahakaya Abadi	Tangerang	Real Estate	--	100.00%	--	475,345,600	477,345,600
PT Persada Mandiri Dunia Niaga and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk	Jakarta	Real Estate	--	100.00%	--	83,494,501,343	83,956,585,097
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--	4,950,000,000	4,950,000,000
PT Gapura Sakti Prima and subsidiaries	Jakarta	Real Estate	--	100.00%	--	68,811,231,038	69,175,797,596
PT Menara Megah Tunggal and subsidiary	Jakarta	Real Estate	--	100.00%	--	68,676,512,795	69,040,432,223
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	68,505,972,380	68,870,925,808
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--	522,480,130	522,480,130
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	644,425,000	645,075,000
PT Direct Power and subsidiaries	Bogor	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	2007	125,599,322,402	125,337,920,962
PT Mitra Mulia Kreasi and subsidiary	Jakarta	Development, Industri, Mining, Agrobisnis, Transportation Trading and Services	--	80.00%	--	42,961,647,629	42,679,605,288
PT Bellanova Country Mall	Bogor	Development, Transportation Trading and Services	--	80.00%	2005	42,871,717,629	42,589,675,288
PT Tirta Sentosa Dinamika [2])	Tangerang	Trading, Development, Printing, and Services	--	100.00%	--	600,000,000	600,000,000
PT Pinus Permai Sejahtera [2])	Cianjur	Trading, Development, Printing, and Services	--	100.00%	--	15,884,852,177	15,762,983,041
PT Emas Makmur Cemerlang and subsidiary	Jakarta	Trading, Development, Printing, and Services	--	100.00%	--	11,054,328,738	10,887,100,000
PT Sarana Global Multindo and subsidiaries	Jakarta	Development, Transportation, Perdagangan and Services	--	100.00%	--	513,973,926,568	575,157,607,960
PT Guna Sejahtera Karya	Jakarta	Development, Industri, Agrobisnis, Landscaping Trading and Services	--	100.00%	--	520,262,521,200	427,127,204,143
PT Citra Sentosa Raya and subsidiaries	Jakarta	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	--	572,769,608,334	572,547,649,912
PT Gading Nusa Utama	Jakarta	Trading, Development, Industri, Agrobisnis, Landscaping and Services	--	100.00%	--	19,065,821,333	19,076,707,333
Rosenet Limited**** and subsidiary	British Virgin Island	Investment	--	100.00%	--	551,995,374,818	571,054,888,841
Sea Pejaten Pte. Ltd****	Singapore	Investment	--	100.00%	--	43,258,360,274	44,650,214,701
Continental Investment Limited****	Malaysia	Investment, Trading and Services	--	100.00%	--	27,458,289	28,739,537
PT Sandiego Hills Memorial Park and subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	671,361,083,046	596,305,567,169
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	93,642,792,216	80,393,041,067
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	581,494,437	581,730,437
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,454,205,000	2,455,091,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Public Service	--	100.00%	--	2,579,391,024	2,579,391,024
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Alona Griya Utama and subsidiary	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,928,392,421	4,936,565,421
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,919,181,508	4,918,797,508

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Kreasi Ciptaprima Gemilang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,000,000	73,000,000
PT Manikam Mutu Prima and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	125,750,000	60,251,000
PT Holland Village Manado	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	66,200,000	69,200,000
PT Wismacahaya Sentosa Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Ciptaindah Selaras Persada	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Asri Griya Terpadu and subsidiary [2])	Tangerang	Development, Trading, Printing and Services	--	85.00%	--	410,998,312,667	49,990,000,000
PT Asri Griya Utama	Tangerang	Development, Trading, Printing and Services	--	85.00%	2016	362,853,813,203	1,673,497,537
PT Cakrawala Semesta Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	585,582,000	586,232,000
PT Sarana Sentosa Propertindo	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	9,525,235,855	6,938,039,595
PT Bahana Megah Pratama and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	559,801,729	588,350,000
PT Bahana Perisai Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	567,349,935	567,349,935
PT Cahaya Puspita Raya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	588,350,000
PT Karyaalam Indah Lestari [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Prakarsa Dinamika Unggul [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Setra Bumi Utama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	587,350,000	588,000,000
PT Taruna Multi Utama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,978,850,000	1,979,500,000
PT Grahatama Asri Makmur	Tangerang	Development, Trading, and Services	--	100.00%	--	624,583,288	624,583,288
PT Lippo Cikarang Tbk and subsidiaries	Bekasi	Real Estate	--	54.37%	1989	5,564,738,209,606	5,476,757,336,509
PT Great Jakarta Inti Development and subsidiary	Bekasi	Town Management and Real Estate	--	54.37%	1992	399,083,766,913	399,691,712,048
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	18,606,187,606	17,649,902,438
PT Tunas Pundi Bumi	Bekasi	Town Management	--	54.37%	2010	97,901,861,267	69,213,327,034
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,785,947,121	26,768,406,656
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	610,841,629	611,000,223
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	3,763,504,071	3,848,349,610
PT Chandra Mulia Adhidharma	Bekasi	Property Management	--	54.37%	2011	30,898,842,934	26,037,970,359
PT Tirta Sari Nirmala	Bekasi	Water Treatment	--	54.37%	2011	63,010,144,334	35,608,402,065
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2014	201,780,197,583	197,446,696,592
PT Swadaya Teknopolis dan and subsidiaries	Bekasi	Real Estate	--	54.37%	2009	170,100,001,000	170,100,001,000
Premium Venture International Ltd and subsidiary	British Virgin Island	Investment		54.37%	2015	167,426,688,280	167,426,688,280
Intellitop Finance Ltd	British Virgin Island	Investment		28.12%	2014	430,166,256,990	374,224,622,985
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2014	147,982,000	147,982,000
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009	3,432,732,840	3,432,732,840
PT Cahaya Ina Permai and subsidiaries	Bekasi	Real Estate	--	54.37%	--	278,904,663,560	279,139,052,611
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services dan Jasa	--	54.37%	--	55,090,871,356	31,696,793,617
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	600,421,247	598,003,173
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	2015	49,736,715,146	49,734,869,396
PT Mega Kreasi Teknika	Bekasi	Building Construction	--	54.37%	--	324,636,883	155,198,464
PT Astana Artha Mas	Tangerang	Real Estate	--	54.37%	--	155,659,619,613	155,665,273,863
PT Mega Kreasi Nusantara Teknologi	Bekasi	Real Estate	--	54.37%	--	3,000,000,000	3,000,000,000
PT Pondera Prima Sarana	Tangerang	Real Estate	--	54.37%	--	14,081,012,000	14,086,542,000
PT Telaga Banyu Murni and subsidiary	Tangerang	Real Estate	--	54.37%	--	42,025,701,800	42,052,164,000
PT Karimata Alam Damai	Tangerang	Real Estate	--	54.37%	--	55,921,151,800	55,921,151,800
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	2015	13,215,020,677	9,992,431,270
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	2015	98,888,262,985	98,888,412,985
PT Megakreasi Cikarang Asri	Bekasi	Real Estate	--	40.78%	--	32,945,153,778	33,000,800,000
PT Megakreasi Propertindo Utama	Bekasi	Real Estate	--	40.78%	--	68,544,541,907	67,627,567,693
PT Megakreasi Cikarang Realtindo [2])	Bekasi	Development, Trading, and Services	--	54.37%	2015	9,387,543,529	7,385,268,997
PT Mahkota Sentosa Utama [2])	Bekasi	Marketing and Building Management		54.37%	--	1,250,000,000	1,250,000,000
PT Megapratama Karya Persada and subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	5,386,042,591,252	5,142,753,364,187
PT Siloam International Hospitals Tbk and subsidiaries	Tangerang	Healthcare Services	--	70.82%	2010	3,249,597,246,631	2,986,270,148,106
PT Aritasindo Permaisemesta	Jakarta	Trading, Development, Mining, Agriculture Land Transport, Printing and Industry	--	70.82%	--	64,221,747	76,559,368
PT Perdana Kencana Mandiri	Jakarta	Industry Development, Trading, Land Transport, Workshops, Printing, Agriculture, Mining and Services	--	70.82%	--	519,803,207	600,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	70.82%	2015	446,953,728	9,138,115
PT Nusa Medika Perkasa	Jakarta	Healthcare Services.	--	57.79%	--	952,692,585	932,687,770
PT Siloam Graha Utama and subsidiary	Jakarta	Development, Transportation, Trading and Services	--	70.82%	--	107,386,723,768	119,221,195,607
PT East Jakarta Medika	Bekasi	Healthcare Services,	--	64.30%	2002	107,381,003,311	119,214,342,094
PT Guchi Kencana Emas and subsidiary	Jakarta	Development, and Services	--	70.82%	--	78,567,928,392	80,468,295,372
PT Golden First Atlanta	Jambi	Healthcare and Pharmacy Trading,	--	58.78%	2008	78,567,928,392	80,466,056,854
PT Prawira Tata Semesta and subsidiary	Jakarta	Trading, Development, Industry, Mining, Land Transportation, Agriculture, Printing, Workshop and Services except Services of Legal and Tax	--	70.82%	--	216,075,538,880	227,620,139,722
PT Balikpapan Damai Husada	Balikpapan	Healthcare including Hospital, Clinic, Health Centre, Polyclinic and Other related Services	--	56.37%	2007	176,897,137,480	188,450,720,833
PT Siloam Emergency Services	Tangerang	Healthcare Services	--	70.82%	2013	1,018,073,535	2,611,998,278
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	--	70.82%	2013	5,347,129,365	3,469,450,033
PT Pancawarna Semesta and subsidiary	Tangerang	Trading, Development, Printing and Services	--	70.82%	--	67,550,632,544	67,237,366,327
PT Diagram Healthcare Indonesia	Depok	Healthcare Services	--	56.66%	2006	37,008,587,779	36,680,484,767
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Development, Printing and Services	--	70.82%	--	1,094,617,353	1,012,776,138
PT Brenada Karya Bangsa	Tangerang	Trading, Development, Printing and Services	--	70.82%	--	594,628,333	594,998,333
PT Harmoni Selaras Indah	Tangerang	Trading, Industry Printing and Services	--	70.82%	--	594,295,000	594,665,000
PT Kusuma Prima dana and subsidiaries	Tangerang	Trading, Industry Printing	--	70.82%	--	92,448,167,405	144,271,575,447
PT Adijaya Buana Sakti and subsidiaries	Tangerang	Trading Industry Workshop Land Transportation, Printing and Services	--	56.66%	--	92,447,472,405	144,518,510,447
PT Siloam Sumsel Kemitraan and subsidiary	Tangerang	Trading, Industry and Services	--	69.66%	--	8,000,753,670	7,991,123,670
PT RS Siloam Hospital Sumsel	Palembang	Healtcare Services	--	61.86%	2012	92,445,793,457	145,272,175,897
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	70.82%	--	1,000,600,300	1,000,970,300
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	70.82%	--	594,295,000	594,665,000
PT Sembada Karya Megah	Tangerang	Trading, Industry and Services	--	70.82%	--	602,296,157	602,666,157
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	70.82%	--	594,295,000	594,665,000
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	70.82%	--	4,984,578,333	4,984,948,333
PT Tunggal Pilar Perkasa and subsidiaries	Tangerang	Development, Trading, Real Estate, Printing, Industry, Agribusiness, and Services	--	70.82%	--	1,239,383,993,096	1,105,166,861,746
PT Tirtasari Kencana	Serang	Development, Trading, and Services	--	70.82%	--	1,146,791,218	1,129,177,218
PT Gramari Prima Nusa	Medan	Development, Trading, and Services	--	70.82%	2014	148,730,804,112	142,285,912,947
PT Krisolis Jaya Mandiri	Kupang	Healtcare Services	--	70.82%	2014	175,981,670,632	135,816,231,542
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	70.82%	--	7,185,965,563	7,186,262,922
PT Agung Cipta Raya	Tangerang	Healtcare Services	--	70.82%	--	965,855,000	964,225,000
PT Bina Cipta Semesta	Padang	Healtcare Services	--	70.82%	--	998,528,474	998,898,474
PT Mega Buana Bhakti	Bangka	Trading, Industry and Services	--	70.82%	--	6,290,234,654	6,289,590,225
PT Taruna Perkasa Megah	Yogyakarta	Trading, Industry and Services	--	70.82%	--	105,976,168,458	96,121,791,102
PT Tataka Bumi Karya	Bogor	Trading, Industry and Services	--	70.82%	--	4,684,459,341	845,251,870
PT Tataka Karya Indah	Bandung	Trading, Industry and Services	--	70.82%	--	844,952,131	825,433,327
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry and Services	--	70.82%	2015	13,754,149,900	12,240,837,850
PT Koridor Usaha Maju and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	70.82%	--	500,610,361,354	480,847,930,537

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Medika Sarana Traliansia and subsidiary	Bali	Development, Trading, Printing and Services	--	70.82%	2008	287,077,349,776	266,476,908,793
PT Trisaka Raksa Waluya	Tangerang	Healthcare and Other related Services	--	70.82%	2008	141,452,705,079	137,390,081,888
PT Buana Utama Sejati	Tangerang	Healthcare Sevice	--	70.82%	--	23,372,284,975	23,370,843,650
PT Sentra Sejahtera Utama	Sorong	Healthcare Sevice	--	70.82%	--	600,000,000	600,000,000
PT Bumi Unggul Persada	Tangerang	Healthcare Sevice	--	70.82%	--	642,968,569	641,265,124
PT Berlian Cahaya Indah	Tangerang	Healthcare Sevice	--	70.82%	2014	76,560,811,344	138,001,094,698
PT Rashal Siar Cakra Medika	Jakarta	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	2008	73,363,961,966	59,415,242,800
PT Mulia Pratama Cemerlang	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	2014	13,482,561,314	3,679,309,300
PT Medika Rescue International (formerly PT Karya Pesona Cemerlang)	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	879,555,759	878,649,715
PT Indah Kemilau Abadi	Jember	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	1,443,880,195	657,128,900
PT Persada Dunia Semesta	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	7,917,979,118	2,349,333,094
PT Inti Pratama Medika	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	600,993,000	600,363,000
PT Sentra Sehat Sejahtera	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	1,680,633,491	878,649,715
PT Genta Raya Internusa	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	613,011,522	600,388,000
PT Sembilan Raksa Dinamika	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	2016	109,459,272,604	54,795,114,119
PT Saritama Mandiri Zamrud	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Mahkota Buana Selaras	Tangerang	Development, Trading, Printing, and Services	--	70.82%	--	36,028,645,910	37,690,051,627
PT Lintas Buana Jaya [2])	Manggarai Barat	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	2016	36,268,710,708	9,886,018,026
PT Bina Bahtera Sejati [2])	Bau Bau	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	2016	23,439,471,867	600,000,000
PT Lintang Laksana Utama [2])	Lubuk Linggau	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	600,000,000	600,000,000
PT Ciptakarya Tirta Cemerlang [2])	Tangerang	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	600,000,000	600,000,000
PT Eramulia Pratamajaya and subsidiaries	Jakarta	Healthcare Service	99.99%	0.01%	--	1,228,699,449,747	1,215,478,000,217
PT Solafide Unggulan Prima [1])	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	50,000,000,000	--
PT Pradamas Graha Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	76,552,500	76,552,500
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	373,115,652,945	373,898,296,232

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets Jun 30, 2016 Rp	Total Assets Dec 31, 2015 Rp
PT Sentra Tata Prima	Surabaya	Development, Transportation, Trading, and Services	--	100.00%	--	3,357,859,998	3,357,430,094
PT Sentra Sarana Karya (formerly PT Siloam Sarana Karya)	Makassar	Development, Transportation, Trading, and Services	--	100.00%	--	15,055,400,069	3,357,064,837
PT Sarana Dinamika Perkasa (formerly PT Siloam Dinamika Perkasa)	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	130,080,151,824	133,833,329,993
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	7,397,737,370	7,397,737,370
PT Buana Mandiri Selaras	Jakarta	Development and Services		100.00%	2015	475,257,228,623	472,605,668,559
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining	0.01%	99.99%	--	3,598,218,420	3,613,672,920
PT Kalanusa Intan Cemerlang and subsidiary	Tangerang	Trading, Development Printing and Services	--	100.00%	--	4,259,900,000	4,259,900,000
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Cahaya Jaya Raya	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Waluya Graha Loka	Tangerang	Trading Development, Printing and Services	--	100.00%	--	135,839,617,902	135,848,491,259
PT Nusantara Indah Semesta	Tangerang	Trading Development, Printing and Services	--	100.00%	--	26,558,033,629	22,996,589,617
PT Magenta Sinar Abadi	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pesona Puspita Gemilang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Caraka Cipta Sejahtera	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Tiara Permata Gemilang	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Berkat Talenta Unggul [1])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Laskar Unggulan Prima [1])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentana Prima Jaya [1])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Buana Digdaya Sejahtera [1])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Abadi Jaya Sakti and subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	577,031,300
PT Tigamitra Ekamulia and subsidiaries	Jakarta	General	0.01%	99.99%	1998*	520,920	520,920
PT Shimatama Graha	Jakarta	Restaurant, Café and Catering	--	100.00%	1989	9,779,697,779	10,788,591,967
PT Aryaduta International Management and subsidiaries	Jakarta	Hotel Management	--	100.00%	1998	9,779,697,779	10,788,591,967
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	571,592,000	583,898,000
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	551,484,500	565,890,500
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	20,064,018,875	17,958,309,858
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	577,200,000	577,200,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	4,880,408,925	4,494,236,472
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	580,506,500	580,506,500
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Lippo Hotel Indonesia and subsidiaries	Tangerang	Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Aryaduta Kuta Bali	Badung	Tourism	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Gemerlap Abadi	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Lippo Horesi Indonesia	Tangerang	Development, Trading, and Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Mega Indah Gemilang and subsidiaries [2])	Tangerang	Trading, Development, Industry, Printing and Services	99.99%	0.01%	--	51,029,267,381	20,000,000,000
PT Karyaindah Cipta Prima [2])	Tangerang	Trading, Development, Industry, Printing and Services	0.01%	99.99%	--	6,839,728,319	600,000,000
PT Sunshine Prima Utama and subsidiary [2])	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	--	30,156,164,097	20,000,000,000
PT Sunshine Food International [2])	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	2016	29,906,164,097	20,000,000,000
PT Kreasi Tunas Bangsa and subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	16,743,534,195	1,203,833,288
PT Prima Cipta Lestari	Tangerang	Trading, Agriculture Transportation and Mining	--	100.00%	2009	16,266,048,695	--
PT Maxx Food Pasifik [1])	Tangerang	Development, Trading and Services	--	100.00%	2016	7,326,468,045	600,000,000
PT Graha Jaya Pratama and subsidiaries	Tangerang	Real Estate	100.00%	--		1,808,460,415,302	1,788,869,823,183
PT Tataguna Cemerlang	Jakarta	Trading Real Estate and Development,	--	100.00%	--	100,000,000	100,000,000
PT Aresta Amanda Lestari (0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	1,941,222,660	1,777,668,968
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	21,258,554,243	19,461,698,851

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						Jun 30, 2016 Rp	Dec 31, 2015 Rp
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	29,155,303,800	26,690,706,052
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	28,253,849,822	25,866,693,677
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	21,256,111,110	19,459,862,937
PT Nuansa Indah Lestari and subsidiaries	Jakarta	Trading	--	100.00%	--	234,885,692,452	217,811,741,232
PT Metropolitan Permaisemesta and subsidiaries	Jakarta	Trading	--	89.74%	--	238,552,059,552	221,477,872,332
PT Mulia Sarana Sakti	Makassar	Trading	--	89.74%	--	512,000,000	512,000,000
PT Makassar Permata Sulawesi (32.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	89.74%	--	233,882,749,174	216,808,561,954
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	77,56%	--	735,830,712,612	680,755,162,289
PT Gowa Makassar Tourism Development Tbk and subsidiaries	Makassar	Real Estate	4.92%	49.05%	1997	1,235,185,616,421	1,273,990,253,786
PT Kenanga Elok Asri and subsidiaries	Tangerang	Development, Trading, Printing and Services		53.97%	--	251,696,523,122	252,178,148,189
PT Wahana Mustika Gemilang ¹)	Makassar	Development, Trading, Printing and Services	--	53.97%	--	12,500,000,000	--
PT Krisanta Esa Maju	Tangerang	Development, Trading, Printing and Services	--	53.97%	--	1,074,455,800	1,074,461,825
PT Griya Megah Sentosa	Makassar	Development, Trading, Printing and Services	--	53.97%	--	7,160,302,712	7,158,510,233
PT Griya Eksotika Utama	Makassar	Development, Trading, Printing and Services	--	53.97%	--	177,931,639	178,369,707

* *Liquidated*
** *Transferred*
*** *Functional Currency is USD*
**** *Functional Currency is SGD*
¹) *Established in 2016*
²) *Established in 2015*

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, subsidiaries, disposed 75,300,000 and 17,500,000, respectively, share ownership in PT Siloam International Hospitals Tbk with the total price of Rp1,136,800,000,000. Upon the disposal, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp1,000,581,189,869 (see Note 32).

On February 12, 2015, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired 25% share ownership in PT Wahana Usaha Makmur (WUM) from PT Mahanaim with acquisition cost of Rp15,334,000,000. At acquisition date WJP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp43,851,181,695 (see Note 32).

On February 23, 2015, WJP, a subsidiary, acquired all shares ownership in PT Emas Makmur Cemerlang (EMC) (through 99.99% direct ownership and 0.01% indirect ownership of PT Maharama Sakti with acquisition cost of Rp11,000,000,000. At the acquisition date, EMC has not yet started operation and therefore, recorded as an asset acquisition.

On June 12, 2015, PT Kuta Beach Paragon (KBP) and PT Primakreasi Propertindo (PKP), subsidiaries, acquired 13.5% shares ownership in PT Graha Buana Utama from PT Mahanaim with acquisition cost of Rp25,358,527,564. At the acquisition date, KBP and PKP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp22,988,443,294 (see Note 32).

On June 29, 2015, PT Swadaya Teknopolis, a subsidiary, acquired all shares ownership in Premium Venture International Ltd (PVIL), with acquisition cost of Rp170,100,000,000. This transaction is a business combination (see Note 48). PVIL is the parent entity of Intellitop Finance Ltd with the ownership of 51.72%.

On January 20, 2016, PT Kreasi Tunas Bangsa, a subsidiary, acquired all shares ownership in PT Prima Cipta Lestari (through 75% direct ownership and 25% indirect ownership of PT Mega Indah Gemilang with acquisition cost of Rp4,700,000,000. This transaction is a business combination (see Note 48).

1.d. Board of Commissioners, Directors, Audit Committee and Employees

Based on Partial Deeds of Annual General Meeting of Stockholders No. 55 dated March 24, 2016 and No. 30 dated July 3, 2015 which both were made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the composition of the Company's Board of Commissioners and Directors as of June 30, 2016 and December 31, 2015 are as follows:

		June 30, 2016	December 31, 2015
Board of Commissioners:			
President Commissioner	:	Theo L. Sambuaga	Theo L. Sambuaga
Vice President Commissioner	:	Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	:	Agum Gumelar	Agum Gumelar
Independent Commissioner	:	Farid Harianto	Farid Harianto
Independent Commissioner	:	Muladi	Muladi
Independent Commissioner	:	Sutiyoso	Sutiyoso
Commissioner	:	Tanri Abeng	Tanri Abeng
Commissioner	:	--	Viven Gouw Sitiabudi

* *also as Independent Commissioner*

		June 30, 2016	December 31, 2015
Directors:			
President Director	:	Ketut Budi Wijaya	Ketut Budi Wijaya
Director	:	Tjokro Libianto	Tjokro Libianto
Director	:	Johanes Jany	Johanes Jany
Director	:	Rahmawaty	Rahmawaty
Director	:	Chan Chee Meng	Stephen Choo Kooi Yoon
Director	:	Lee Heok Seng	Ninik Prajitno
Director	:	Richard Setiadi	--
Independent Director	:	Jenny Kuistono	Jenny Kuistono
Independent Director	:	Alwi Rubidium Sjaaf	Alwi Rubidium Sjaaf

The Company's Audit Committee composition as of June 30, 2016 and December 31, 2015 are as follows:

Audit Commitee:

Chairman	:	Muladi
Members	:	Herbudianto
	:	Achmad Kurniadi

The Company's Corporate Secretary as of June 30, 2016 and December 31, 2015 is Sri Mulyati Handoyo, respectively.

As of June 30, 2016 and December 31, 2015, the Group have 11,217 and 11,200 permanent employees, respectively (unaudited).

2. Summary of Significant Accounting Policies

2.a. Compliance with Financial Accounting Standards (SAK)

The interim consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (IFAS) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI), and regulations in the Capital Market include Regulations of Financial Sevices Authority/Capital Market and Supervisory Board and Financial Institution (OJK/Bapepam-LK) No. VIII.G.7 regarding guidelines for the presentation of financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statements of the issuer or public company.

2.b. Measurement and Preparation of Interim Consolidated Financial Statements

The interim consolidated statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the interim consolidated statements of cash flows. Basis of measurement in preparation of these interim consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The interim consolidated statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The presentation currency used in the preparation of the interim consolidated financial statements is Indonesian Rupiah which is the functional currency of the Group. Each entity in the Group determines its own functional currency as disclosed in Note 1.c and included in the financial statements of each entity are measured using that functional currency.

The following are revision, amendments and adjustments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the year starting on or after January 1, 2016, are as follows:

Revision

- SFAS No. 110: “Accounting for Sukuk”

Amendments

- SFAS No. 4: “Separate Financial Statements”
- SFAS No.15: “Investment in Associates and Joint Arrangements”
- SFAS No. 24: “Employee Benefits”
- SFAS No. 65: “Consolidation Financial Statements”
- SFAS No. 66: “Joint Arrangements”
- SFAS No. 67: “Disclosures of Interest in Other Entities”
- IFAS No. 30: “Levies”

Adjustments

- SFAS No. 5: “Operating Segments”
- SFAS No. 7: “Related Party Disclosures”
- SFAS No. 13: “Investments Property”
- SFAS No. 16: “Property and equipment”
- SFAS No. 19: “Intangible Assets”
- SFAS No. 22: “Business Combination”
- SFAS No. 25: “Accounting Policies, Changes in Accounting Estimates and Errors”
- SFAS No. 53: “Share-based Payments”
- SFAS No. 68: “Fair Value Measurement”

The following is the impact of the revision, amendments and adjustments in accounting standards that are relevant and significant to the interim consolidated financial statements of the Group among others:

- SFAS No. 5 (Adjustment 2015): “Operating Segments”
  The impact of adjustment to this standard include:
  - Additional disclosure requirements of establishing the criteria for the combine of the operating segments and the brief description of the operating segments have been combined and the assessed economic indicators in determining of the combined operating segments have similar economic characteristics,
  - Organize disclosures of the reconciliation of the reportable total assets segments to the entity’s assets only if the assets segment are regularly provided to the chief operating decision maker, and

- Changes previous terminology is "reportable segments of the entity" to "the entity's reportable segments "and "based on differences in products and services" to "based on products and services".

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 7 (Adjustment 2015): "Related Party Disclosures"
  The impact of adjustment to this standard include:
  - Adding requirements related parties that an entity related to the reporting entity when the entity, or any member of a group of which the entity is part of the group, provides key management personnel services to the reporting entity or to the parent of the reporting entity,
  - Requiring that a reporting entity disclose the payment of key management personnel services provided by the entity management and clarifies that the reporting entity is not required to disclose the compensation paid of the entity management to its employees or Director, and
  - Changing the terminology of "the effective date" to be "effective date and transitional requirement".

  The Group had adopted the adjustment standard and had completed the requested requirements.

- SFAS No. 13 (Adjustment 2015): "Investments Property"
  Adjustment to this standard emphasize the difference between investment property and owner-occupied property and emphasize the need for consideration on the determination of whether the acquisition of the investment property is classified as an asset acquisition or a business combination within the scope of SFAS No. 22.

  The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 15 (Amendment 2015): "Investment in Associates and Joint Arrangements"
  Adjustment to this standard add that an entity which is not an investment entity having an interest in investment entity and joint venture that is investment entity, then when applying the equity method can maintain the fair value measurement that applied by the investment entity an associate or joint venture in subsidiary where the investment entity an associate or joint venture are concerned.

  The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 16 (Adjustment 2015): "Property and equipment"
  Adjustment to this standard add an explanation that:
  - The reduction is expected to occur in the future on the selling price of goods produced using an property and equipment indicates presumption of the technical or commercial obsolescence of the assets, and
  - Depreciation method based on the income generated by activities that use an asset is not appropriate.

  The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 19 (Adjustment 2015): "Intangible Assets"
  The Impact of adjustment to this standard include:
  - Provide additional explanation that the reduction is expected to occur in the future on the selling price of goods produced using an intangible asset indicates presumption of the technical or commercial obsolescence of the assets,

- There is a presumption that the use of methods of amortization based on the revenues generated by activities using the intangible assets allegedly not appropriate because it reflects factors that are not directly related to the use of economic benefits contained in the intangible assets,
- Basic selection the amortization of intangible assets is if its reflect the pattern of the estimated economic benefits of the asset, and
- In circumstances where the dominant inherent barrier factor in an intangible asset is the achievement of revenue threshold, then the revenue generated can be used as a proper basis for amortization.

The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 22 (Adjustment 2015): "Business Combination"
  Adjustment to this standard add an explanation that:
  - SFAS No. 22 is not applied in accounting for the forming of a joint arrangement in the financial statements of joint arrangement it self,
  - The obligation to pay contingent consideration that meet the definition of financial instruments classified as financial liabilities or as equity, and
  - The entire contingent consideration which is not an equity, both financial and non-financial are measured at fair value at each reporting date, with the changes in fair value are recognized in profit or loss.

  The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 24 (Amendment 2015): "Employee Benefits"
  The amendment to this standard specify that attribution dues from workers or third parties depend on whether the contribution rate is set based on the number of year of services. If the dues based on the number of year services, then the dues attributable to the period of services using the same method with attribution required. If the amount of contributions does not depend on the number of year of services then the contribution is recognized as a reduction of the cost of services in the period when the related services provided by workers.

  The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 25 (Adjustment 2015): "Accounting Policies, Changes in Accounting Estimates and Errors"
  Change in SFAS No. 25 (Adjustment 2015), mainly to incorporate the changes of editorial in the previous standard.

  The adoption of the adjustment of the standard had no material effect to the interim consolidated financial statements.

- SFAS No. 65 (Amendment 2015): "Consolidation Financial Statements"
  The amendment to this standard provide criteria that an investment entity consolidated its subsidiaries only if both of the following criteria are met:
  - The subsidiaries are not an investment entity, and
  - The main purpose of the subsidiary is to provide services related to investment activities of its investment entity.

  The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 66 (Amendment 2015): “Joint Arrangements”
  The amendment to this standard include:

  - That all of the principles for business combinations within the scope of SFAS No. 22 "Business Combinations" and SFAS other requirements disclosures applied to the acquisition of the initial interest in joint operations and for the acquisition of extra importance in a joint operation, but if the joint operator retains joint control when it acquired extra importance in a joint operation of the same kind of interest that has been previously owned not remeasured, and
  - This amendment does not apply to (i) the formation of a joint operation if all the parties participating in joint operations only contribute assets or group of assets is not a business for joint operations in its formation and (ii) the acquisition of interests in joint operations when the parties share joint control of the main controller.

  The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 67 (Amendment 2015): “Disclosures of Interest in Other Entities”
  The amendment to this standard clarify that the scope of the standard is not applied to the separate financial statements that its an investment entity and measure its subsidiaries at fair value through profit or loss.

  The adoption of the amendment standard had no material effect to the interim consolidated financial statements.

- SFAS No. 68 (Adjustment 2015): “Fair Value Measurement”
  Adjustment to this standard is to clarify that the exception portfolio, which allows an entity to measure the fair value of the group's financial assets and financial liabilities on a net basis, applied to all contracts (including non-financial contracts) within the scope of SFAS No. 55.

  The adoption of the adjustment standard had no material effect to the interim consolidated financial statements.

2.c. Principles of Consolidation

The interim consolidated financial statements include interim financial statement of the Company and subsidiaries as stated in Note 1.c.

A subsidiary is an entity controlled by the Group, i.e., the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (i.e., substantive rights) are considered when assessing whether the Group controls another entity.

The Group’s interim consolidated financial statements incorporate the results, cash flows, assets and liabilities of the Company and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

A parent prepares interim consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. All intragroup transactions, balances, income, expenses and cash flows are eliminated in full on consolidation to reflect the financial position as a single business entity.

The Group attributed the profit and loss and each component of other comprehensive income to the owner of the parent and non-controlling interests even though this results in the non-controlling interests having a deficit balance. The Group presents non-controlling interests in equity in the interim consolidated statement of financial position, separately from the equity owner of the parent.

Changes in the parent's ownership interest in a subsidiary that do not result in loss of control are equity transactions (i.e., transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, the Group adjusted the carrying amounts of the controlling interest and non-controlling interest to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the parent.

If the Group loses control, the Group:
(a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
(b) Derecognizes the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);
(c) Recognizes the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;
(d) Recognizes any investment retained in the former subsidiary at fair value at the date when control is lost;
(e) Reclassify to profit or loss, or transfer directly to retained earnings if required by other SAKs, the amount recognized in other comprehensive income in relation to the subsidiary;
(f) Recognizes any resulting difference as a gain or loss attributable to the parent.

2.d. Transaction and Balances in Foreign Currency

In preparing interim consolidated financial statements, each of the entity within the Group record by using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and most of the subsidiaries is Rupiah.

The functional currency of Subsidiaries in foreign currency (see Note 1.c). For presentation purposes of interim consolidated financial statements, assets and liabilities of Subsidiaries Pte. Ltd at reporting date are translated to the closing rate of the interim consolidated statement of financial position date, while revenues and expenses are translated using average rate for the period. All resulting exchange differences shall be recognized in other comprehensive income.

Transactions in foreign currencies during the period are recorded in Rupiah with the spot exchange rate between Rupiah and foreign currencies at the transactions date applied. At the end of reporting period, foreign currency monetary items are translated to Rupiah using the closing rate, i.e., middle rate of Bank of Indonesia as of June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016 Rp	**December 31, 2015 Rp**
1 USD	13,180	13,795
1 SGD	9,771	9,751
1 EUR	14,651	15,070
100 JPY	12,831	11,452
1 AUD	9,816	10,064

Exchange differences arising on the settlement of monetary items or on translating monetary items in foreign currencies are recognized in profit or loss.

2.e. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, cash in banks (current accounts) and time deposits with maturity period of three months or less at the time of placement that are not used as collateral or are not restricted.

2.f. Investment in Associates

Associates are entities which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies (significant influence).

Investment in associates accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income, including those arising from the revaluation of property and equipment and from foreign exchange translation differences.The investor's share of those changes is recognized in other comprehensive income.

The Group discontinues the use of the equity method from the date when its investment ceases to be an associate as follows:

(a) if the investment becomes a subsidiary.
(b) If the retained interest in the former associate is a financial asset, the Group measure the retained interest at fair value.
(c) When the Group discontinue the use of the equity method, the Group account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

2.g. Joint Arrangement

Joint arrangement is an arrangement of which two or more parties have joint control, i.e., the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant actvities require the unanimous consent of the parties sharing control.

The Group classified joint arrangement as:

(1) Joint Operation
Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operator.
A joint operator recognize in relation to its interest in a joint operation:
(a) Its assets, including its share of any assets held jointly;
(b) Its liablities, including its share of any liabilities incurred jointly;
(c) Its revenue from the sale of its share of the output arising from the joint operation;
(d) Its share of the revenue from the sale of the output by the joint operation; and
(e) Its expenses, including its share of any expenses incurred jointly.

(2) Joint Venture
Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

A joint venturer recognize its interest in a joint venture as an investment and account for that investment using the equity method.

2.h. Transaction and Balances with Related Parties

A related party is a person or an entity that is related to the reporting entity:

(a) A person or a close member of that person's family is related to a reporting entity if that person:
  (i) has control or joint control over the reporting entity;
  (ii) has significant influence over the reporting entity; or
  (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of following conditions applies:
   (i) The entity and the reporting entity 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 a third entity and the other entity is an associate of the third entity;
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
   (vi) The entity is controlled or jointly controlled by a person identified in (a);
   (vii) entity, or a member of a group which the entity is part of the group, providing personnel services of the key management to the reporting entity or the parent of the reporting entity; or
   (viii)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 a parent of the entity).

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

2.i. Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping center, residential houses, shophouses, office buildings, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

Land for future development of the Group is classified as “Land for Development”. Upon the commencement of development and construction of infrastructure, the carrying costs of land will be reclassified to the respective inventory real estate, investment property or property and equipment accounts, whichever is appropriate.

The excess of carrying value of inventories over their estimated recoverable value is recognized as impairment loss under “Provision for Decline in Value of Inventories” in profit or loss.

Inventories of healthcare business (e.g., medicines, medical supplies and others) are carried at the lower of cost and NRV. Cost is determined by using the average method.

Inventories of hospitality business (e.g., food, beverages and others) are carried at the lower of cost and NRV. Cost is determined by using the first-in-first-out method. Allowance for decline in inventory value is provided based on a review of inventory status at the end of period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. The amount of any write-down of inventories to NRV and all losses of inventories shall be recognized as an expense in the period the write-down or loss occured. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occured.

2.j. Prepaid Expenses

Prepaid expenses are amortized over the period benefitted using straight line method.

2.k. Investment Property

Investment properties are properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the daily business activities.

Investment property is recognized as an asset if, and only if it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost, comprises its purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). Transaction costs are included in the initial measurement.

After initial recognition, the Group choose to use cost model and measure its investment property at acquisition cost less accumulated depreciation and accumulated impairment losses, if any.

Landrights are not depreciated and are carried at costs.

The cost of repairs and maintenance is charged to profit or loss as incurred while significant renovations and additions are capitalized.

Transfer to investment properties if, and only if, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development.

Transfer from investment properties if, and only if, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in operation in the period derecognition or disposal.

2.l. Property and Equipment

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

When applicable, the cost may also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

After initial recognition, property and equipment, except land, are carried at its cost less any accumulated depreciation, and any accumulated impairment losses, if any.

Lands are recognized at its cost and are not depreciated.

Depreciation of property and equipment starts when its available for use and its computed by using straight line method based on the estimated useful lives of assets as follows:

	Year
Building, Infrastructure, and Renovations	4 - 40
Parks and Interiors	5
Golf Course and Club House	20
Transportation Equipment and Vehicles	4 - 8
Furniture, Fixtures and Office Equipment	3 - 10
Tools and Medical Equipment	3 - 10
Machinery and Project Equipment	3 - 10
Bowling Machinery	10
Playground Areas	5

The cost of repairs and maintenance is charged to operation as incurred while significant renovations and additions are capitalized. The carrying value of the part replaced was written-off.

Own built property and equipment is presented as part of property and equipment as “Construction in Progress” and is stated at cost. All cost incurred related to the contruction of such assets is caplitalized as part of cost of construction in progress.

The accumulated costs will be transferred to the respective property and equipment items at the time the asset is completed or ready for use and are depreciated since the operation.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized. At the end of each reporting period, the Group reviews useful life, residual values, and methods of depreciation, and the remaining useful life based on technical condition.

2.m. Leases

Determination of whether a lease agreement or an agreement containing with a lease is a finance lease or an operating lease depends on the substance of transaction rather than the form of the contract at the inception date.

A lease is classified as finance operating lease if it transfers substantially all the risks and benefits incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and benefits incidental to ownership.

The Group as lessees:

At the commencement of the lease term under finance lease, the Group recognized assets and liabilities in their statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is practical to determine, if not, the lessee’s incremental borrowing rate is used. Initial direct cost of the lessee is added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Group recognizes lease payments as an expense on a straight line basis over the lease term.

The Group as lessors:

Group recognizes assets under a finance lease as a receivable in the interim consolidated statement of financial position at an amount equal to the net investment in the lease. Collection of lease receivable is treated as principal payments and finance income. The recognition of finance income is based on a pattern reflecting a constant yearic rate of return on Group's net investment in the finance lease as lessor.

Group presents assets subject to operating lease in the interim consolidated statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Contingent rents, if any, be recognized as income in the period incurred. Lease income from operating lease is recognized as revenue on a straight line basis over the lease term.

Sale and Leaseback:
Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.
- If the sale and leaseback transaction results in an operating lease and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

2.n. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred. Borrowing costs may include interest expense, finance charges in respect of finance leases, or exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Capitalization of borrowing costs commences when the Group undertakes activities necessary to prepare the asset for its intended use or sale and expenditures for the asset and its borrowing costs has been incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

2.o. Impairment of Assets

At the end of each reporting period, the Group assess whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. Recoverable amount is determined for an individual asset, if it is not possible, the Group determines the recoverable amount of the asset's cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss.

An impairment loss recognized in prior period for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

Impairment of goodwill
Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

2.p. Business Combination

Business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Component of non-controlling interests are measured either at fair value or at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. When in prior periods, a changes in the value of its equity interest in the acquiree prior to the acquisition date had been recognized in other comprehensive income, that amount shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occured, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

At acquisition date, goodwill is measured at its cost being the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest, over (b) the net of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously the management reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, be allocated to each of the Group's Cash Generating Units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those Cash Generating Units.

If goodwill has been allocated to Cash Generating Units and certain operations on the Cash Generating units is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal. Disposed goodwill is measured on the basis of relative values of the operation disposed of and the portion of the Cash Generating Units retained.

2.q. Intangible Assets

Intangible asset is measured on initial recognition at cost. After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

Intangible asset with indefinite useful life
Intangible asset with indefinite life is not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Goodwill
Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortized.

Intangible asset with definite useful life
Intangible asset with finite life is amortized over the economic useful life by using a straight-line method (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity).

Software is amortized over the economic useful life with the straight line method based on the estimated useful life for 5 (five) years.

Amortization is calculated so as to write-off the cost of the asset, less its estimated residual value.

2.r. Employee Benefits
Short-term Employee Benefits
Shor-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits
Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Group recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation is determined by discounting the benefit.

The Group accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interets on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Group recognizes an expense and a liability for contribution payable to a defined contribution plan, when an employee has rendered service to the entity during a period.

Termination Benefits
The Group recognizes a liability and expense for termination benefits at the earlier of the following dates:
(a) When the Group can no longer withdraw the offer of those benefits; and
(b) When the Group recognizes costs for a restructuring that is within the scope of SFAS No. 57 and involves payment of termination benefits.

The Group measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.s. Business Combination between Entities Under Common Control

Business combination of entities under common control transactions, such as transfers of business conducted within the framework of the reorganization of the entities that are in the same group, not a change of ownership in terms of economic substance, so that the transaction can not result in a gain or loss for the Group as a whole or the individual entity within the Group.

Due to business combination transactions of entities under common control does not lead to change in economic substance of ownership on the exchanged asset, liability, shares or other ownership instrument, then the transferred asset or liability (in its legal form) is recorded at its carrying amount as well as a business combination under the pooling of interest method.

An entity that receives the business, in a business combination of entities under common control, recognizes the difference between the amount of the consideration transferred and the carrying amount of each transaction is a business combination of entities under common control in equity under additional paid in capital.

If the entity that received the business, subsequently dispose the business entity acquired previously, the additional paid-in capital recorded before, can not be recognized as a realized gain or loss nor reclassified to retain earning.

2.t. Revenue and Expense Recognition

The Group recognizes revenue from the sale of real estate based on SFAS No. 44 “Accounting for Real Estate Development Activities” as follows:
(i) Revenues from sales of lots that do not require the seller to construct building are recognized under the full accrual method if all of the following conditions are met:
  a. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable;
  b. the selling price is collectible;
  c. the receivable is not subordinated to other loans in the future;
  d. The land development process is complete so that the seller has no further obligations related to the lots sold, such as obligation to construct amenities or obligation to build other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law; and
  e. Only the lots are sold, without any requirement of the seller’s involvement in the construction of building on the lots.

(ii) Revenues from sales of houses, shop houses, and other similar property and related land are recognized under the full accrual method if all of the following conditions are met:
  a. a sale is consummated;
  b. the selling price is collectible;
  c. the seller’s receivable is not subject to future subordination against other loans which will be obtained by the buyer; and
  d. The seller has transferred the risks and benefits of ownership to the buyer through a transaction that is in substance a sale and does not have substantial continuing involvement with the property.

(iii) Revenues from sales shopping center and apartments are recognized using the percentage-of-completion method if all of the following conditions are met:
  a. the construction process has already commenced, i.e., the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
  b. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable; and
  c. the amount of revenue and the cost of the property can be reliably estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities that need to be accomplished.

If a real estate sale fails to meet all the criteria of full accrual method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

Cost of land lots sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included in the “Accrued Expenses” account which is presented in the interim consolidated statements of financial position. The difference between the estimated cost and the actual cost of construction or development is charged to “Cost of Revenues” in the current period.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

Rental revenue and other services are recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership paid in advance are presented as deferred income and recognized as revenue over the period benefit.

Hotel and restaurant revenues are recognized when the goods or services provided to hotel guests or restaurant visitors. Revenue tuition are deferred (presented under Deferred Income) and recognized as income over the period of services delivered.

Expenses are recognized as incurred on an accruals basis.

2.u. Income Tax

Tax expense is the aggregate amount included in the determinination of profit or loss for the period. Current tax and deferred tax is recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
a) the initial recognition of goodwill; or
b) the initial recognition of an asset or liability in a transaction which is:
   (i) not a business combination and
   (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is :
a. not a business combination; and
b. at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of a deferred tax asset reviewed at the end of each reporting period. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The offset deferred tax assets and deferred tax liabilities if, and only if:
1) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   i. the same taxable entity; or
   ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The offset current tax assets and current tax liabilities if, and only if, the entity:
1) has legally enforceable right to set off the recognized amounts; and
2) intends either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

2.v. Earnings per Share

Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the Group shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effect of all dilutive potential ordinary shares.

2.w. Treasury Stock

Treasury stock is recorded at its acquisition cost and presented as a deduction from capital stock under equity section of interim consolidated statements of financial position. The excess of proceed from future re-sale of treasury stock over the related acquisition cost or vice-versa shall be accounted for as an addition to or deduction from additional paid-in capital.

2.x. Operating Segment

Group presented operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the Group.

An operating segment is a component of the entity:
- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity);
- whose operating results are regularly reviewed by chief operating decision maker to make decisions about resources to be allocated to the segment and assesses its performance; and
- for which separate financial information is available.

2.y. Financial Instruments

Initial Recognition and Measurement

The Group recognizes a financial asset or a financial liability in the interim consolidated statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures all financial assets and financial liabilites at its fair value. In the case of a financial asset or financial liability is not measured at fair value through profit or loss, fair value is added or reduced with the transaction costs that are directly attributtable to the acquisition or issuance of the financial asset or financial liability. Transaction costs incurred on acquisition of a financial asset and issuance of a financial liability classified at fair value through profit or loss are expensed immediately.

Subsequent Measurement of Financial Assets

Subsequent measurement of financial assets depends on their classification on initial recognition.

The Group classifies financial assets in one of the following four categories:

(i) Financial Assets at Fair Value Through Profit or Loss (FVTPL)
Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

(ii) Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:
(a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
(b) those that upon initial recognition designated as available for sale; or
(c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial recognition, loans and receivable are measured at amortized cost using the effective interest method.

(iii) Held-to-Maturity (HTM) Investments
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

After initial recognition, HTM investments are measured at amortized cost using the effective interest method.

(iv) Available-for-Sale (AFS) Financial Assets
AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value are recognized on other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets are derecognized. At that time, the cumulative gains losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Subsequent Measurement of Financial Liabilities
Subsequent measurement of financial liabilities depends on their classification on initial recognition. The Group classifies financial liabilities into one of the following two categories:

(i) Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)
Financial liabilities at FVTPL are financial liabilities held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial liabilities classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

(ii) Other Financial Liabilities
Financial liabilities that are not classified as financial liabilities at FVTPL are grouped in this category and are measured at amortized cost using the effective interest method.

Derecognition of Financial Assets and Liabilities
The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or the Group transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. If the Group transfers substantially all the risks and benefits of ownership of the financial asset, the Group derecognizes the financial asset and recognize separately as asset or liabilities any rights and obligation created or retained in the transfer. If the Group neither transfers nor retains substantially all the risks and benefits of ownership of the financial asset and has retained control, the Group continues to recognizes the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and benefits of ownership of the financial asset, the Group continues to recognize the financial asset.

The Group removes a financial liability from its statement of financial position when, and only when, it is extinguished, ie when the obligation specified in the contract is discharged or cancelled or expired.

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

The following are objective evidence that a financial asset or group of financial assets is impaired:
(a) Significant financial difficulty of the issuer or obligor;
(b) A breach of contract, such as default or delinquency in interest or principal payments;
(c) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

For investment in equity instrument, a significant and prolonged decline in the fair value of the equity instrument below its cost is an objective evidence of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivable or held-to-maturity investments carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate and recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized. The amount of the cumulative loss that is reclassified are the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

The Effective Interest Method
The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, for example, prepayment, call and similar option, but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Reclassification
The Group shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Group as at fair value through profit or loss. The Group may reclassifiy that financial asset out of the fair value through profit or loss category if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term. The Group shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

If, as a result of a change in Group's intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value. Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sales or reclassification that are so close to maturity or the financial asset's call date, occured after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

Offsetting a Financial Asset and Financial Liability
A financial asset and financial liability shall be offset when and only when, the Group currently has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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 of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1);
(ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2); and
(iii) Unobservable inputs for the assets or liabilities (Level 3).

When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Group uses valuation techniques that appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognized by the Group at the end of the reporting period during which the change occurred.

Hedging
The normal course of the Group's business exposes it to currency and interest rate risks. In order to hedge these risks in accordance with the management's written treasury policies, the Group uses derivatives and other hedging instruments. SFAS No. 55 allows 3 types of hedging relationships:

- Fair value hedge;
- Cash flow hedge;
- Hedge of a net investment in a foreign operation.

The Group uses hedge accounting only when the following conditions at the inception of the hedge are satisfied:

- The hedging instrument and the hedged item are clearly identified;
- Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and
- The hedge relationship is expected to be highly effective throughout the life of the hedge.

The above documentation is subsequently updated at each reporting date in order to assess whether the hedge is still expected to be highly effective over its remaining life.

Cash flow hedge the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized (net of tax) in other comprehensive income and accumulated under hedging reserve, and the ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss.

No adjustment is made to the hedged item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or liability, the related gain or loss previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment in the same period when hedging on forecasted cash flow affect earnings.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group reclassifies the associated gains and losses that were recognized in other comprehensive income to profit or loss as a reclassification adjustment.

Derivatives
All derivatives are initially recognized and subsequently carried at fair value. The Group policy is to use derivatives only for hedging purposes. Accounting for derivatives engaged in hedging relationships is described in the above section.

Sometimes, the Group enters into certain derivatives in order to hedge some transactions but the strict hedging criteria prescribed by SFAS No. 55 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognized in profit or loss and accounting for the hedged item follows the Group’s policies for that item.

2.z. Important Estimated Source of Uncertainty and Accounting Considerations
The preparation of consolidated financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting period.

In the preparation of these interim consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilties in financial statements. In addition, there are accounting assumptions on the sources of estimation uncertainty at end of reporting period that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting period.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the interim consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

i. Source of Uncertainty of Critical Accounting Estimates and Assumptions
At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the interim consolidated financial statements, as follows:

Allowance for Impairment Losses of Receivable
In general, the management analyzes the adequacy of the allowance for impairment losses of receivable based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable is carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting period, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Notes 4 and 6).

Impairment Value of Goodwill
In estimating the impairment value of goodwill, the Group's management performs analysis and assessment of the ability of the cash generating unit, the change of the operating conditions of acquired entity and transfer of goodwill generating unit. If there are indications of a decrease in the ability of the cash generating unit in generating cash and management believes that the cash generating unit decrease the ability to generate cash, then the management will do the impairment value of goodwill. If there is a change in the operational business units and/ or cash-generating unit has been transferred, the entire value of goodwill previously recorded will be impaired. The carrying value of goodwill is presented in Note 15.

Deferred Tax Estimation
Deferred tax assets recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation (see Note 19.b).

Useful Lifes of Property and Equipment and Investment Property Estimation
Management makes a yearly review of the useful lifes of property and equipment and investment property based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment and investment property, if any, are prospectively treated in accordance with SFAS No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors" (see Notes 13 and 14).

Post-employment Benefits
The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate and the salary increase projection rate . Changes in these assumptions will affect the carrying amount of post-employment benefits (see Note 26).

The Group determines the appropriate discount rate at end of reporting period by the interest rate used to determine the present value of future cash outflows expected to settle this obligation. In determining the appropriate level of interest rate, the group considers the interest rate of government bonds denominated in Rupiah that has a similar period to the corresponding period of obligation.

Other key assumption is partly determined by current market conditions, during the period in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the period.

Fair Value of Financial Instruments
If the fair value of financial assets and liabilities recorded in the statement of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

ii. Important Consideration in the Determination of Accounting Policies
The following judgment made by management in the application of the Group's accounting policies that have significant effect on the amounts presented in the interim consolidated financial statements:

Revenue Recognition - Percentage of Completion Method
Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the cost that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of determination of the estimated percentage of completion and it realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting period, in which the material error correction will be carried out retrospectively (see Note 37).

Revenue Recognition – Professional Fees
Policy and billing system to the patient is an integral of over all charges consisted of consulting with the doctor, use of drugs and other medical procedures. Above the cost of consulting a doctor, the Hospital performs specific calculations for each doctor, make payments and taxed accordingly every month to the doctor, although a bill to the patient is not fully collectible. Management of the Group considered that there was no agency relationship between the hospital and its doctors, with consideration to the impact of the significant benefits and risks related to the provision of medical services by the doctors to patients. Bills for medical services are recognized as revenue when the recognition criteria are met (see Note 37).

3. Cash and Cash Equivalents

	June 30, 2016 Rp	December 31, 2015 Rp
Cash		
(Include 2016: USD26,984, SGD5,262, EUR5,344, JPY9,739, AUD12,447; 2015: USD26,984, SGD5,262, EUR5,344, JPY9,739, AUD12,447)	7,966,701,978	8,556,332,898
Bank		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	158,385,103,341	158,290,657,963
PT Bank Negara Indonesia (Persero) Tbk	84,347,672,205	88,774,300,403
PT Bank Mandiri (Persero) Tbk	33,425,508,995	14,751,455,330
PT Bank Central Asia Tbk	23,602,095,850	42,822,483,055
PT Bank Permata Tbk	22,816,256,825	27,899,048,428
PT Bank Maybank Indonesia Tbk	20,812,422,042	3,787,230,456
PT Bank Mega Tbk	15,252,222,452	10,933,046,807
PT Bank Rakyat Indonesia (Persero) Tbk	6,867,904,956	25,482,320,958
PT Bank OCBC NISP Tbk	5,010,032,187	3,892,240,627
PT Bank Tabungan Negara (Persero) Tbk	2,474,231,218	1,946,972,893
PT Bank Danamon Indonesia Tbk	2,152,859,669	10,074,461,690
Others (below Rp1 billion each)	3,559,664,538	5,272,367,986
Foreign Currencies		
BNP Paribas, Singapore		
USD	175,626,337,786	202,215,222,426
SGD	7,870,922,230	11,932,459,599
OCBC Bank, Singapore - SGD	48,709,228,210	69,857,090,150

	June 30, 2016 Rp	December 31, 2015 Rp
PT Bank OCBC NISP Tbk		
USD	702,968,875	6,759,802,937
SGD	27,637,937,439	736,465,250
EUR	34,841,543	93,782,117
PT Bank ANZ Indonesia		
USD	9,371,028,107	5,690,910,669
SGD	7,943,634,810	3,586,077,645
EUR	3,591,325,555	2,785,627,924
AUD	--	3,586,077,645
PT Bank Negara Indonesia (Persero) Tbk		
USD	3,583,751,788	5,673,018,713
SGD	14,199,234,983	14,170,668,870
Credit Suisse, Singapore		
USD	4,736,472,194	5,241,190,472
SGD	10,942,523,819	7,648,698,051
PT Bank CIMB Niaga Tbk		
USD	3,649,092,907	5,171,123,626
SGD	11,444,591,468	11,873,673,033
PT Bank Mega Tbk		
USD	1,144,483,982	1,198,316,194
SGD	2,291,813,943	2,286,079,338
PT Bank Maybank Indonesia Tbk - USD	3,408,809,165	3,378,228,380
DBS Bank, Singapore		
USD	737,795,048	--
SGD	522,982,027	--
PT Bank Permata Tbk		
USD	--	2,496,802,574
SGD	--	250,493,146
Others (below Rp1 billion each)	1,020,060,601	1,604,842,259
Related Party		
PT Bank Nationalnobu Tbk		
Rupiah	229,621,383,882	271,958,357,733
USD	13,289,500	6,897,500
	947,510,484,140	1,034,128,492,847
Time Deposits		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	472,037,074,686	477,053,819,549
PT Bank Keb Hana Indonesia	300,000,000,000	120,000,000,000
PT Bank Permata Tbk	40,000,000,000	--
PT Bank Negara Indonesia (Persero) Tbk	5,838,118,362	128,250,300,000
PT Bank Mega Tbk	--	3,000,000,000
Foreign Currencies		
OCBC Bank, Singapore - SGD	--	68,257,000,098
PT Bank CIMB Niaga Tbk - USD	--	120,057,885
	817,875,193,048	796,681,177,532
Total	**1,773,352,379,166**	**1,839,366,003,277**

Contractual interest rates and maturity period of the time deposits are as follows:

	June 30, 2016	**December 31, 2015**
Interest Rate		
Rupiah	3.00% - 8.75%	3.00% - 10.00%
Foreign Currencies	--	0.50% - 3.00%
Maturity Period	0 - 3 months	0 - 3 months

4. Trade Accounts Receivable

	June 30, 2016 Rp	**December 31, 2015 Rp**
Third Parties		
Urban Development:		
Consumers Financing	320,768,435,964	261,011,608,016
Land Lots	179,671,348,655	162,911,845,467
Residential Houses and Shophouses	53,836,210,350	47,902,306,527
Asset Enhancements	35,700,557,927	26,434,773,131
Memorial Park	20,576,715,861	23,702,794,029
Others	15,809,602,191	18,556,390,817
Subtotal	626,362,870,948	540,519,717,987
Large Scale Integrated Development:		
Apartments	30,241,316,107	4,339,239,387
Asset Enhancements	4,339,239,387	2,672,299,686
Subtotal	34,580,555,494	7,011,539,073
Retail Malls:		
Asset Enhancements	152,603,420,528	123,819,136,187
Shopping Centers	20,120,249,119	20,068,291,250
Subtotal	172,723,669,647	143,887,427,437
Healthcare:		
Inpatient and Outpatient	742,055,111,489	596,132,428,238
Hospitality and Infrastructure:		
Town Management and Water Treatment	166,211,983,473	137,217,716,016
Hotels and Restaurants	19,831,110,760	16,897,138,911
Recreations and Sports	2,961,108,491	--
Others	13,230,226,793	5,523,680,550
Subtotal	202,234,429,517	159,638,535,477
Property and Portfolio Management:		
Management Fees	103,009,774,045	68,496,531,253
Subtotal Trade Accounts Receivable from Third Parties	1,880,966,411,140	1,515,686,179,465
Less: Allowance for Impairment in Value	(93,266,521,145)	(91,468,709,993)
Total Trade Accounts Receivable from Third Parties - Net	1,787,699,889,995	1,424,217,469,472
Related Parties		
Healthcare:		
Inpatient and Outpatient	7,208,964,750	10,130,038,169
Net	**1,794,908,854,745**	**1,434,347,507,641**

Analysis of trade accounts receivable by maturity is presented in Note 47.

The movements in allowances for impairment in value of receivables are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Beginning Balance	91,468,709,993	64,936,716,285
Addition	10,645,758,748	26,531,993,708
Reversal	(8,847,947,596)	--
Ending Balance	**93,266,521,145**	**91,468,709,993**

Additional (reversal) of allowance for impairment in value of trade accounts receivable is based on the review of the status of debtors at the end of the period.

Management made allowances for impairment in value of trade accounts receivable because management believes that these receivables are uncollectible.

Management believes that the allowance for impairment in value is adequate to cover the possibility of uncollectible trade accounts receivable.

Consumers financing receivables represent trade accounts receivable of PT Asiatic Sejahtera Finance, a subsidiary, in connection with the financing of property unit ownership to the customers. Such receivables are used as collateral of loan obtained from PT Bank J Trust Indonesia Tbk (see Note 23).

Trade accounts receivable of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loans obtained from PT Bank Central Asia Tbk (see Note 23).

Trade accounts receivable denominated in Rupiah and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 45 and 47.

5. Available-for-Sale Financial Assets

	June 30, 2016 Rp	December 31, 2015 Rp
At Cost		
Lippo Malls Indonesia Retail Trust (LMIR Trust) (2016: 822,061,761 units; 2015: 816,883,084 units)	3,303,869,387,269	3,288,543,737,433
First REIT (2016: 254,141,216 units; 2015: 251,828,857 units)	2,048,820,585,179	2,021,847,535,149
PT Kawasan Industri Jababeka Tbk (KIJA) (2016 and 2015: 1,511,850,179 shares)	338,938,289,009	338,938,289,009
Accumulated Unrealized Gain (Loss):		
Accumulated Reclassification Adjustment of Net Loss Recognised on Profit or Loss	(17,387,163,577)	(17,387,163,577)
Gross Accumulated Gain Recognized on Other Comprehensive Income	670,476,956,978	237,121,042,394
Total	**6,344,718,054,858**	**5,869,063,440,408**

Available-for-Sale Financial Assets are investments in REIT units which are listed on the Singapore Stock Exchange and KIJA shares listed in Indonesia Stock Exchange. The quoted market price of REIT units as of June 30, 2016 and December 31, 2015 are SGD1.25 and SGD1.20, for First REIT units, respectively, and SGD0.350 and SGD0.320 for LMIR Trust units, respectively. The quoted market price of KIJA as of June 30, 2016 and December 31, 2015 are Rp284 and Rp247, respectively.

In 2015, Bridgewater International Ltd and LMIRT Management Ltd, subsidiaries, disposed 9,000,000 units and 10,000,000 units of LMIR Trust at the price per unit of SGD0.345 (equivalent Rp3,270) and SGD0.345 (equivalent Rp3,270), respectively. Loss on disposal from these transactions amounted to

Rp15,437,851,660 were recorded as other income in the profit or loss. Informations of additional investment units as of June 30, 2016 and 2015 are disclosed in Note 49.

Addition of available for sale financial asset in KIJA includes 1,480,613,606 shares from aquired entity of Rp387,920,764,772 (included in other comprehensive income amounted to Rp58,546,531,498) (see Note 48).

6. Other Current Financial Assets

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Call Spread Option (see Note 43.d)	1,832,736,879,319	2,015,953,790,020
Other Accounts Receivable	409,477,601,609	695,184,124,483
Dividend Receivable	104,278,681,742	157,159,942,187
Investments in Mutual Fund	83,986,414,526	49,008,885,877
Promisorry Note (2015: USD781,600)	--	10,782,172,000
Total	**2,430,479,577,196**	**2,928,088,914,567**

Other Accounts Receivable

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Billing of Joint Operation	46,664,899,527	46,664,899,527
Receivables from Operator and Tenant Association of Mall	38,314,555,262	36,917,811,640
Receivables from Transfer of Land and Building Right	--	328,223,711,241
Hospital and Hotel Performance Guarantee Receivables	34,500,000,000	18,000,000,000
Others	302,009,689,197	274,628,929,197
Subtotal	421,489,143,986	704,435,351,605
Less: Allowance for Impairment in value	(12,011,542,377)	(9,251,227,122)
Total	**409,477,601,609**	**695,184,124,483**

The movements in allowances for impairment in value of other accounts receivable are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Beginning Balance	9,251,227,122	7,299,710,183
Addition	2,760,315,255	1,951,516,939
Ending Balances	**12,011,542,377**	**9,251,227,122**

Billing of Joint Operation represents receivables from PT Kawasan Industri Jababeka Tbk (KIJA). PT Lippo Cikarang Tbk, a subsidiary, cooperate with KIJA to build highway access Japek of KM 34+700. The cooperation includes the exchange of land and share the project cost of 50%, respectively.

Receivables from operator and tenant association of mall represent receivables resulted from payment of service charge, repair and maintenance units of malls that have been transferred to another parties.

Receivables from transfer of land and building right are receivables resulted from payments of tax on the transfer of land and buildings of Kemang Mall, Siloam Hospitals Makassar and Siloam Hospitals Bali.

Hospital and Hotel performance guarantee receivables are receivables arising from unachievement of EBITDA of hospitals and hotels acquired from third parties, as part of the deal in the sale and purchase agreement.

Dividend Receivable
Dividend receivables represent dividend receivable of Bridgewater International Ltd., PT Menara Tirta Indah, Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, subsidiaries, from their investments in First REIT and LMIR Trust, respectively.

Management made allowances for impairment in value of other accounts receivable based on collectability of receivable.

The Group’s management believes that allowance for impairment in value is adequate to cover the possibility of uncollectible other accounts receivable.

Investments in Mutual Fund
Investments in mutual fund are ownership of mutual fund units managed by an Investment Manager PT Lippo Securities Tbk, a related party, through RDPT Lippo Terproteksi I, II and III and PT Bowsprit Asset Management, a subsidiary, through RDPT Infrastucture Fund I and RDPT Bowsprit Properti Fund I. The fair value of mutual fund units are determined based on net asset value as at reporting date.

Unrealized gains on the increase in value of mutual fund units held by the Group for the 6 (six) months period ended June 30, 2016 amounted to Rp2,477,528,649 recorded as other income (expense).

7. Inventories

	June 30, 2016 Rp	December 31, 2015 Rp
Urban Development:		
Land under Development	11,048,493,753,731	10,498,080,080,427
Residential Houses and Shophouses	2,381,585,648,101	2,068,995,059,985
Apartments	357,617,179,517	299,698,103,057
Others	8,703,032,433	8,725,777,948
Subtotal	13,796,399,613,782	12,875,499,021,417
Large Scale Integrated Development:		
Land under Development	1,979,014,858,293	1,941,650,461,656
Apartments	1,890,941,314,923	1,839,198,442,789
Shopping Centers	1,705,892,695,214	1,664,488,022,605
Subtotal	5,575,848,868,430	5,445,336,927,050
Retail Malls:		
Shopping Centers	1,574,421,093,574	1,641,187,663,624
Land under Development	394,452,310,418	349,500,614,513
Subtotal	1,968,873,403,992	1,990,688,278,137
Healthcare:		
Medical and Non Medical Supplies	159,219,262,718	140,434,193,057

	June 30, 2016 Rp	December 31, 2015 Rp
Hospitality and Infrastructure:		
Hotels and Restaurants	4,748,522,172	6,145,465,883
Recreation and Sports	1,065,308,055	856,190,099
Others	2,794,095,205	69,747,026
Less: Allowances for Decline in Inventories Value	(39,505,683)	(39,505,683)
Subtotal	8,568,419,749	7,031,897,325
Net	**21,508,909,568,671**	**20,458,990,316,986**

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Note 13).

As of December 31, 2015 property and equipment was reclassified to inventory amounted Rp461,342,063,858 (see Note 14).

Land owned by the Company for an area of 21,940 sqm were pledged as a collateral for a loan from PT Bank Negara Indonesia (Persero) Tbk (see Note 21).

Land owned by PT Waska Sentana, a subsidiary, for an area of 38,901 sqm were pledged as a collateral for a loan from PT Bank ICBC Indonesia (see Note 21).

Land owned by PT Pamor Paramita Utama, a subsidiary, for an area of 21,150 sqm were pledged as a collateral for a loan from PT Bank CIMB Niaga Tbk (see Note 23).

Land owned by PT Mandiri Cipta Gemilang, a subsidiary, for an area of 73,716 sqm were pledged as a collateral for a loan from PT Bank Mega Tbk (see Note 21).

Borrowing costs capitalized into land under development for the 6 (six) months period ended June 30, 2016 and for the year ended December 31, 2015 amounting to Rp364,805,457,729 (include bond interest amounted to Rp344,399,778,842) and Rp Rp1,696,443,015,384 (include bond interest amounted to Rp853,470,852,432), respectively (see Notes 21 and 25).

As of June 30, 2016, land under development consisted of land covering a net area of approximately 31 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 6 hectares in Mampang Prapatan District, 20 hectares in Panunggangan Barat Village, 23 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 92 hectares in Margakaya Village, Telukjambe, Karawang, 156 hectares in Cibatu Village, 22 hectares in Serang Village, 22 hectares in Sukaresmi Village, 21 hectares in Cicau Village, 2 hectares in Kuta, Bali, 21 hectares in Jaya Mukti Village, 11 hectares in Tanjung Merdeka Village, 24 hectares in Macini Sombala Village, 13 hectares in Tamanyeleng Village, 31 hectares in Barombong Village and 14 hectares in Mariso District, 3 hectares in Panakukang Village, 1 hectare in Warung Buncit district, 4 hectares in Cempaka Putih District, 11 hectares in Wenang District, North Sulawesi, 3 hectares in Alak District, East Nusa Tenggara, 1 hectare in Medan Ringroad, 3 hectares in Komodo District, Nusa Tenggara Timur, 2 hectares in Rajabasa district, Lampung, 1 hectare in Kalimalang, West Cikarang, 1 hectare in Cipanas District, 11 hectares in Paniki Village, Manado and 1 hectare in Serengan District, Surakarta.

Medical supplies and consumables of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Note 23).

The amount of inventory charged to cost of revenues amounted to Rp1,377,898,936,994 and Rp1,334,497,433,309, respectively, for the 6 (six) months periods ended June 30, 2016 and 2015.

Management believes that there is no indication of change in circumstances that causes a decrease in the value of inventories at June 30, 2016.

The Group's inventories, property investment, and property and equipment have been insured against all risks, with sum insured of Rp4,804,537,234,532 and USD7,000,000 as of June 30, 2016 and Rp5,077,273,883,000 and USD7,000,000 as of December 31, 2015, respectively.

The management believe that the sum insured is adequate to cover any possible losses.

8. Prepaid Expenses

	June 30, 2016 Rp	December 31, 2015 Rp
Rental	136,875,167,452	139,101,322,739
Insurances	10,490,566,541	2,678,692,276
Others (bellow Rp10 billion each)	132,432,944,063	87,885,650,142
Total	**279,798,678,056**	**229,665,665,157**

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 43.b).

9. Other Non-Current Financial Assets

	June 30, 2016 Rp	December 31, 2015 Rp
Restricted Funds	702,885,137,377	685,854,507,978
Investments in Bond	10,000,000,000	10,000,000,000
Other Investments	77,574,195,411	58,329,023,011
Total	**790,459,332,788**	**754,183,530,989**

Restricted Funds

	June 30, 2016 Rp	December 31, 2015 Rp
Third Party		
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	2,379,564,154	5,560,189,841
Others (each bellow Rp1 billion)	1,425,921,850	884,619,950
Subtotal	3,805,486,004	6,444,809,791
Time Deposits		
Third Parties		
Rupiah		
PT Bank Rakyat Indonesia (Persero) Tbk	168,024,889,822	133,255,212,368
PT Bank Mandiri (Persero) Tbk	144,806,734,157	121,855,578,961
PT Bank Permata Tbk	110,608,795,438	112,340,064,948
PT Bank Maybank Indonesia Tbk	64,422,086,059	62,218,697,361
PT Bank Negara Indonesia (Persero) Tbk	57,344,351,692	97,522,950,703
PT Bank CIMB Niaga Tbk	30,883,885,551	32,392,019,401
PT Bank Central Asia Tbk	18,212,155,732	19,517,856,580
PT Bank OCBC NISP Tbk	13,445,612,359	14,749,227,168
PT Bank Danamon Indonesia Tbk	7,522,735,399	7,951,820,440
PT Bank Tabungan Negara (Persero) Tbk	3,091,742,617	158,900,000
Others (bellow Rp1 billion each)	940,707,957	770,078,690

	June 30, 2016 Rp	December 31, 2015 Rp
Foreign Currencies		
BNP Paribas, Singapore - SGD	27,513,342,044	26,425,780,434
Related Party		
Rupiah		
PT Bank Nationalnobu Tbk	52,262,612,546	50,251,511,133
Subtotal	699,079,651,373	679,409,698,187
Total	**702,885,137,377**	**685,854,507,978**

Contractual interest rates and maturity period of the time deposits are as follows:

	June 30, 2016	December 31, 2015
Interest Rate		
Rupiah	3.75% - 8.00%	4.00% - 8.00%
Foreign Currencies	2.50% - 4.00%	2.50% - 4.00%
Maturity Period	2 - 10 years	2 - 10 years

Investments in Bonds

These investments represent placement of investments in bond by PT Sandiego Hills Memorial Park, a subsidiary. The followings are the information of investments in bond as of June 30, 2016 and December 31, 2015:

	Face Value Rp	Maturity	Coupon Rate
Obligasi Penawaran Umum Berkelanjutan II PT BCA Finance Tahap I Seri C	2,000,000,000	March 20, 2018	9.00%
Obligasi Garuda Indonesia	2,000,000,000	July 5, 2018	9.25%
Obligasi Berkelanjutan I PT Bumi Serpong Damai Tbk Tahap II	2,000,000,000	June 5, 2018	8.38%
Obligasi PT Semberdaya Sewatama I Tahun 2012 Seri B	1,000,000,000	November 30, 2017	9.56%
Obligasi Berkelanjutan I ADHI Tahap II Seri B	1,000,000,000	March 15, 2017	8.50%
Obligasi Penawaran Umum Berkelanjutan I PT Permodalan Nasional Madani (Persero)	1,000,000,000	October 12, 2017	9.56%
Obligasi Penawaran Umum Berkelanjutan I PT Pembangunan Perumahan (Persero)	1,000,000,000	March 19, 2018	8.38%
	10,000,000,000		

Other Investments

	Domicile	June 30, 2016 Rp	December 31, 2015 Rp
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
RR Venture Capital General Partner Limited	Cayman Islands	19,245,172,400	--
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitradaya	Jakarta	160,000,000	160,000,000
Others	--	29,384,011	29,384,011
Total		**77,574,195,411**	**58,329,023,011**

This account represents investment in shares below 20% of ownership in some companies which do not have quoted stock market prices.

10. Transactions and Balances with Related Parties

The details of the account balances with related parties are as follows:

			Percentage to Total Assets / Liabilities	
	June 30, 2016 Rp	December 31, 2015 Rp	June 30, 2016 %	December 31, 2015 %
Bank				
PT Bank Nationalnobu Tbk	**229,634,673,382**	**271,965,255,233**	**0.53**	**0.66**
Trade Accounts Receivable				
PT Lippo General Insurance Tbk	1,169,314,700	4,378,335,377	--	0.01
Others (below Rp1 billion each)	6,039,650,050	5,751,702,792	0.01	0.01
Total	**7,208,964,750**	**10,130,038,169**	**0.01**	**0.02**
Restricted Fund				
Time Deposits				
PT Bank Nationalnobu Tbk	**52,262,612,546**	**50,251,511,133**	**0.12**	**0.12**
Investments in Associates				
PT Surya Citra Investama	74,046,831,941	71,052,002,794	0.17	0.17
PT TTL Residences	59,396,190,704	60,086,122,586	0.14	0.15
PT Hyundai Inti Development	14,278,277,935	11,902,864,415	0.03	0.03
PT Anho Biogenesis Prima Indah	269,360,430	1,533,695,368	--	--
Others (below Rp1 billion each)	9,268,729,654	9,268,729,654	0.02	0.02
Total	**157,259,390,664**	**153,843,414,817**	**0.36**	**0.37**
Investments in Joint Venture				
Yoma Siloam Hospital Pun Hlaing Ltd	130,772,722,708	132,594,167,310	0.30	0.32
PT Lippo Diamond Development	97,213,332,876	98,833,151,586	0.23	0.24
Total	**227,986,055,584**	**231,427,318,896**	**0.53**	**0.56**
Due from Related Parties - Non Trade				
PT Bumi Lemahabang Permai	34,234,832,653	32,051,733,936	0.08	0.08
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.01
Directors and Key Management	3,126,055,585	4,708,912,430	0.01	0.01
Others (below Rp1 billion each)	4,758,904,919	11,023,654,919	0.01	0.03
Total	47,011,728,608	52,676,236,736	0.11	0.13
Less: Allowance for Impairment in Value	(15,333,752,676)	(15,582,751,676)	(0.04)	(0.04)
Total	**31,677,975,932**	**37,093,485,060**	**0.07**	**0.09**
Due to Related Parties Non-Trade				
PT Tirta Graha Sentana	1,991,540,182	1,991,540,182	0.01	0.01
Others (below Rp1 billion each)	433,811,968	5,537,457,594	--	0.02
Total	**2,425,352,150**	**7,528,997,776**	**0.01**	**0.03**
Deferred Income				
PT Mulia Persada Pertiwi	291,158,099,159	299,264,589,161	1.26	1.34
PT Matahari Putra Prima Tbk	187,607,099,619	140,508,177,979	0.81	0.63
Total	**478,765,198,778**	**439,772,767,140**	**2.07**	**1.97**

	2016 (6 Months) Rp	2015 (6 Months) Rp	Percentage to Total Revenues/ Operating Expenses 2016 (6 Months) %	2015 (6 Months) %
Revenues				
PT Matahari Putra Prima Tbk	11,702,737,112	9,732,474,826	0.23	0.21
PT Mulia Persada Pertiwi	8,106,490,002	8,106,490,004	0.16	0.17
Total	**19,809,227,114**	**17,838,964,830**	**0.39**	**0.38**
Operating Expenses				
PT Multipolar Technology Tbk	11,671,311,828	12,637,160,751	0.88	1.21
PT Air Pasific Utama	8,632,483,331	10,040,516,666	0.65	0.96
PT Matahari Pasific	2,712,031,362	3,326,576,645	0.20	0.32
PT Sharestar Indonesia	169,733,005	168,970,008	0.01	0.02
Total	**23,185,559,526**	**26,173,224,070**	**1.74**	**2.51**
Short-Term Post-Employment Benefits Expenses				
Directors, Commissioners and Key Management	**18,003,931,509**	**19,676,043,804**	**1.36**	**1.88**

Nature of transactions with related parties are as follows:

Related Parties	Relationship with the Company	Transactions
PT Matahari Putra Prima Tbk	Under Common Control	Deferred income and rental income
PT Mulia Persada Pertiwi	Under Common Control	Deferred income and rental income
PT Bumi Lemahabang Permai	Under Common Control	Non-interest bearing intercompany charges
PT Surya Cipta Investama	Associate	Investment in shares
PT Hyundai Inti Development	Associate	Investment in shares
PT TTL Residences	Associate	Investment in shares
Yoma Siloam Hospital Pun Hlaing Ltd	Joint Venture	Investment in joint venture
PT Lippo Diamond Development	Joint Venture	Investment in joint venture
PT Anho Biogenesis Prima Indonesia	Associate	Investment in shares of stock
PT Bank Nationalnobu Tbk	Under Common Control	Placement of current accounts, restricted fund, deferred income and rental income
PT Duta Mas Kharisma Indah	Under Common Control	Non-interest bearing intercompany charges
PT Tirta Graha Sentana	Under Common Control	Non-interest bearing intercompany charges
PT Multipolar Technology Tbk	Under Common Control	Procurement hardware and software

Related Parties	Relationship with the Company	Transactions
PT Air Pasific Utama	Under Common Control	Non-interest bearing intercompany charges
PT Lippo General Insurance Tbk	Under Common Control	Trade Receivables
Directors, Commissioners and Key Management	Key Personel	Employee benefits, Non-interest bearing loan

In 2015, PT Villa Permata Cibodas, a subsidiary, has returned prepaid rental to PT Mulia Persada Pertiwi (MPPi) amounted to Rp63,416,672,650.

11. Invesments in Associates

June 30, 2016

	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Accumulated Other Comperhenshive Income	Additional of Investment	Correction	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	45,004,076,530	--	(1,200,516,326)	--	(2,721,711,759)	74,046,831,941
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	105,907,728,427	(97,784,873,862)	--	--	--	14,278,277,935
PT TTL Residences	Bekasi	25.00	66,620,250,000	(7,224,059,296)	--	--	--	--	59,396,190,704
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	(3,980,639,570)	--	--	--	--	269,360,430
Others (below Rp5 billion each)			25,143,494,000	(15,874,764,346)	--		--		9,268,729,654
Total			**135,134,150,866**	**123,832,341,745**	**(97,784,873,862)**	**(1,200,516,326)**	**--**	**(2,721,711,759)**	**157,259,390,664**

December 31, 2015

	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Accumulated Other Comperhenshive Income	Additional of Investment	Correction	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	42,009,247,383	--	(1,200,516,326)	--	(2,721,711,759)	71,052,002,794
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,032,314,907	(93,284,873,862)	--	--	--	11,902,864,415
PT TTL Residences	Bekasi	25.00	28,031,250,000	(6,534,127,414)	--	--	38,589,000,000	--	60,086,122,586
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	(2,716,304,632)	--	--	--	--	1,533,695,368
Others (below Rp5 billion each)			25,143,494,000	(15,874,764,346)	--	--	--	--	9,268,729,654
Total			**96,545,150,866**	**115,916,365,898**	**(93,284,873,862)**	**(1,200,516,326)**	**38,589,000,000**	**(2,721,711,759)**	**153,843,414,817**

The following are financial information of associates as of June 30, 2016 and December 31, 2015:

Subsidiaries	Domicile	Main Business	Percentage of Ownership	Total Assets June 30, 2016 Rp	Total Assets December 31, 2015 Rp
PT Multifiling Mitra Indonesia Tbk	Bekasi	Services	65.98	195,672,306,046	184,786,688,849
PT Biogenesis Genome International	Jakarta	Healthcare Services	89.00	20,715,966,153	10,000,000,000

The following is a summary of financial information of associates as of June 30, 2016 and December 31, 2015:

	June 30, 2016 Rp	December 31, 2015 Rp
Total Agregate of Current Assets	156,918,837,040	144,132,664,218
Total Agregate of Non Current Assets	884,540,539,299	816,404,203,114
Total Agregate of Current Liabilities	76,625,774,566	57,149,924,487
Total Agregate of Non Current Liabilities	445,598,088,914	377,746,333,148
Total Agregate of Net Revenues for the Period/Year	65,937,677,894	130,212,272,005
Total Agregate of Profit After Tax for the Period/Year	8,669,272,204	28,773,912,805
Total Agregate of Comprehensive Income for the Period/Year	--	26,363,721,426
Total Agregate of Profit or Loss and Other Comprehensive Income	8,669,272,204	14,772,074,844

There was no fair value information available based on quoted market prices of the above investments in associates.

Fair value of investment of PT Surya Cipta Investama in PT Multifilling Media Indonesia Tbk as of June 30, 2016 and December 31, 2015 based on quoted market price information amounted to Rp112,981,897,400 and Rp93,485,021,300, respectively.

12. Investments in Joint Venture

	June 30, 2016						
	Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Share in Profit (Loss) - Net Rp	Accumulated Dividend Received Rp	Other Comperhenshive Income Rp	Carrying Value Rp
Yoma Siloam Hospital Pun Hlaing Ltd	Myanmar	40.00	135,814,217,223	(5,041,494,515)	--	--	130,772,722,708
PT Lippo Diamond Development	Indonesia	51.00	102,000,000,000	(4,786,667,124)	--	--	97,213,332,876
Total			**237,814,217,223**	**(9,828,161,639)**	**--**	**--**	**227,986,055,584**

	December 31, 2015						
	Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Share in Profit (Loss) - Net Rp	Accumulated Dividend Received Rp	Other Comperhenshive Income Rp	Carrying Value Rp
Yoma Siloam Hospital Pun Hlaing Ltd	Myanmar	40.00	135,814,217,223	(3,220,049,913)	--	--	132,594,167,310
PT Lippo Diamond Development	Indonesia	51.00	102,000,000,000	(3,166,848,414)	--	--	98,833,151,586
Total			**237,814,217,223**	**(6,386,898,327)**	**--**	**--**	**231,427,318,896**

<u>Yoma Siloam Hospital Pun Hlaing Ltd</u>
In 2015, PT Waluya Graha Loka (WGL), a subsidiary, and First Myanmar Investment Co., LTD (FMI) entered into joint venture agreement through Yoma Siloam Hospital Pun Hlaing Ltd (YSHPH) with total capital amount of USD13,187,500 with the contribution of USD5,275,000 (equivalent to 40% of capital) and USD7,912,500 (equivalent to 60% of capital) for WGL and FMI, respectively.

Based on the said joint venture agreement, the venturers agreed to increase the venture capital amounting to USD80,000,000, proportionately contributed by each venturer in seventh years since the joint venture establishment. The venturers also agreed to provide funding to the joint venture proportionately.

<u>PT Lippo Diamond Development</u>
On October 28, 2015, PT Megakreasi Cikarang Permai (MCP), a subsidiary, and PT Diamond Realty Investment Indonesia (DRII), a subsidiary of Mitsubishi Corporation, entered into joint operation agreement for developing of two towers of luxury residential in Orange County, Lippo Cikarang, with total investment value of USD100,000,000. The contribution of this joint operation is 51% and 49% for MCP and DRII, respectively.

Based on the said joint venture agreement, MCP and DRII, the venturers agreed to provide funding to the joint venture proportionately. If one of the venturer does not have sufficient fund for financing, the funding will be obtained from third party loan.

The following is a summary of financial information on joint venture as of June 30, 2016 and December 31, 2015:

	June 30, 2016 Rp	**December 31, 2015** Rp
Total Agregate of Current Assets	273,457,897,595	370,495,019,453
Total Agregate of Non Current Assets	371,110,706,461	46,178,108,191
Total Agregate of Current Liabilities	60,261,021,202	16,758,539,343
Total Agregate of Non Current Liabilities	167,623,622,796	126,317,137,267
Total Agregate of Net Revenues for the Period/Year	14,717,690,647	65,011,757,298
Total Agregate of Loss After Tax for the Period/Year	(7,591,268,582)	(9,674,273,041)
Total Agregate of Comprehensive Income for the Period/Year	--	--
Total Agregate of Profit or Loss and Other Comprehensive Income for the Period/Year	(7,591,268,582)	(9,674,273,041)

There was no fair value information available based on quoted market prices of the above investments in joint venture.

13. Investment Property

	2016				
	Balance January 1, Rp	**Addition Rp**	**Deduction Rp**	**Reclassification Rp**	**Balance June 30, Rp**
Acquisition Cost					
Land	82,226,593,131	--	--	--	82,226,593,131
Building	447,322,997,651	12,803,286,409	--	--	460,126,284,060
Total Acquisition Cost	529,549,590,782	12,803,286,409	--	--	542,352,877,191
Accumulated Depreciation					
Building	112,549,282,526	9,385,669,450	--	--	121,934,951,976
Total Accumulated Depreciation	112,549,282,526	9,385,669,450	--	--	121,934,951,976
Carrying Value	**417,000,308,256**				**420,417,925,215**

	2015				
	Balance January 1, Rp	**Addition Rp**	**Deduction Rp**	**Reclassification Rp**	**Balance December 31, Rp**
Acquisition Cost					
Land	56,201,024,208	--	--	26,025,568,923	82,226,593,131
Building	343,752,721,523	8,304,892,095	--	95,265,384,033	447,322,997,651
Total Acquisition Cost	399,953,745,731	8,304,892,095	--	121,290,952,956	529,549,590,782
Accumulated Depreciation					
Building	89,648,991,228	22,900,291,298	--	--	112,549,282,526
Total Accumulated Depreciation	89,648,991,228	22,900,291,298	--	--	112,549,282,526
Carrying Value	**310,304,754,503**				**417,000,308,256**

Rental revenue earned and direct operating expenses from investment property in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	2016 (6 Months) Rp	**2015 (6 Months) Rp**
Rental Revenue	31,513,413,993	26,113,051,896
Direct Operating Expenses Arises from the Rental Generated from Investment Properties	12,712,284,129	12,405,041,127

Depreciation charges that were allocated in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	2016 (6 Months) Rp	**2015 (6 Months) Rp**
Cost of Revenue	5,159,248,351	4,469,618,647
Selling Expense	4,226,421,099	7,496,294,885
Total	**9,385,669,450**	**11,965,913,532**

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Note 7).

In 2015, the Group reclassified property and equipment to investment property amounting to Rp54,835,032,831 (see Note 14).

The fair value of all inventories (see Note 7), investment property, and property and equipment (see Notes 13 and 14) as of December 31, 2014, amounted to Rp87,115,444,804,000. Based on the valuation reports of Kantor Jasa Penilai Publik Rengganis Hamid and Rekan and Kantor Jasa Penilai Publik Ihot Dollar & Raymond, independent appraisers which are not related with the Company, dated June 1, 2015 and June 1, 2015, respectively. The appraisers are member of MAPPI and have appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the Code of Ethics of Indonesian valuation.

The approach used by the appraisers are:
1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of June 30, 2016 was not impaired as compared to December 31, 2015.

Based on the evaluation of the value of investment properties as of June 30, 2016, management believes that there are no changes in circumstances indicate an impairment of investment properties.

14. Property and Equipment

	2016				
	Balance January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	Balance June 30, Rp
Acquisition Cost					
Direct Ownership					
Land	484,265,615,283	81,967,905,300	--	--	566,233,520,583
Building, Infrastructure and Renovations	1,140,355,297,061	34,554,373,218	--	(24,020,800,684)	1,150,888,869,595
Parks and Interiors	29,233,217,587	150,500,500	--	(823,580,036)	28,560,138,051
Golf Course and Club House	176,064,347,330	114,015,000	--	--	176,178,362,330
Transportation Equipment and Vehicles	49,376,862,712	3,139,483,091	10,250,000	3,115,938,984	55,622,034,787
Furniture, Fixtures and Office Equipment	867,941,015,174	29,088,062,196	41,727,114,136	59,672,480,920	914,974,444,154
Tools and Medical Equipment	1,745,514,683,612	64,366,990,397	757,771,625	1,681,046,225	1,810,804,948,609
Machinery and Project Equipment	255,103,041,327	38,922,617,552	--	(39,428,784,855)	254,596,874,024
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,765,387,818,039	252,303,947,254	42,495,135,761	196,300,554	4,975,392,930,086
Under Capital Lease					
Medical Equipment	--	30,237,991,386	--	--	30,237,991,386
Construction in Progress	286,673,865,084	104,239,291,684	--	(3,827,743,279)	387,085,413,489
Total Acquisition Cost	5,052,061,683,123	386,781,230,324	42,495,135,761	(3,631,442,725)	5,392,716,334,961
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	353,984,548,945	41,401,487,558	--	--	395,386,036,503
Parks and Interiors	22,552,149,333	509,212,524	--	--	23,061,361,857
Golf Course and Club House	163,153,510,599	4,093,221,401	--	--	167,246,732,000
Transportation Equipment and Vehicles	36,720,864,284	2,180,597,926	10,250,000	1,103,561,724	39,994,773,934
Furniture, Fixtures and Office Equipment	609,515,925,111	52,244,845,506	41,681,141,212	37,219,601,851	657,299,231,256
Tools and Medical Equipment	928,682,773,058	121,729,930,178	472,731,750	1,168,511,002	1,051,108,482,488
Machinery and Project Equipment	188,396,046,570	25,933,328,482	--	(41,537,728,760)	172,791,646,292
Bowling Machinery	14,387,595,253	7,563,114	--	--	14,395,158,367
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	2,320,529,159,245	248,100,186,689	42,164,122,962	(2,046,054,183)	2,524,419,168,789
Carrying Value	**2,731,532,523,878**				**2,868,297,166,172**

	2015				
	Balance January 1, Rp	**Addition Rp**	**Deduction Rp**	**Reclassification Rp**	**Balance December 31, Rp**
Acquisition Cost					
Direct Ownership					
Land	477,801,430,283	7,000,000,000	--	(535,815,000)	484,265,615,283
Building, Infrastructure and Renovations	1,029,929,192,682	89,388,237,065	--	21,037,867,314	1,140,355,297,061
Parks and Interiors	24,576,600,379	4,656,617,208	--		29,233,217,587
Golf Course and Club House	175,604,708,730	512,210,600	52,572,000		176,064,347,330
Transportation Equipment and Vehicles	46,397,613,598	2,242,168,659	246,919,545	984,000,000	49,376,862,712
Furniture, Fixtures and Office Equipment	670,698,064,934	182,547,615,586	340,860,582	15,036,195,236	867,941,015,174
Tools and Medical Equipment	1,522,526,112,101	103,534,842,911	5,506,416,776	124,960,145,376	1,745,514,683,612
Machinery and Project Equipment	258,068,250,234	6,778,890,499	82,070,250	(9,662,029,156)	255,103,041,327
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,223,135,710,894	396,660,582,528	6,228,839,153	151,820,363,770	4,765,387,818,039
Construction in Progress	837,191,957,954	117,479,367,589	--	(667,997,460,459)	286,673,865,084
Total Acquisition Cost	5,060,327,668,848	514,139,950,117	6,228,839,153	(516,177,096,689)	5,052,061,683,123
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	288,256,604,730	65,727,944,215	--	--	353,984,548,945
Parks and Interiors	21,520,178,822	1,031,970,511	--	--	22,552,149,333
Golf Course and Club House	153,419,085,781	9,786,996,818	52,572,000	--	163,153,510,599
Transportation Equipment and Vehicles	33,194,006,193	3,773,777,636	246,919,545	--	36,720,864,284
Furniture, Fixtures and Office Equipment	477,658,933,083	132,143,860,548	286,868,520	--	609,515,925,111
Tools and Medical Equipment	682,582,474,116	231,562,150,511	2,785,724,122	17,323,872,553	928,682,773,058
Machinery and Project Equipment	177,425,660,754	28,376,328,619	82,070,250	(17,323,872,553)	188,396,046,570
Bowling Machinery	14,372,469,025	15,126,228	--	--	14,387,595,253
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,851,565,158,596	472,418,155,086	3,454,154,437	--	2,320,529,159,245
Carrying Value	**3,208,762,510,252**				**2,731,532,523,878**

In 2016, deduction of property and equipment include write-off with acquisition cost and accumulated depreciation amounted Rp41,537,728,760, respectively.

In 2016, the addition of property and equipment, included property and equipment of the acquired entity (see Notes 1.c and 49) with a total acquisition cost of Rp25,558,430,031 and accumulated depreciation of Rp20,068,605,593.

The addition of the Group's property and equipment as of June 30, 2016, including acquired finance lease assets amounted to Rp30,237,991,386 (see Note 24).

The addition of the Group's property and equipment, including non-cash transactions from realization of property and equipment advances amounted to Rp37,611,075,591 and Rp21,528,637,910 for the 6 (six) months periods ended June 30, 2016 and 2015, respectively (see Note 49).

In 2015, the Group reclassified property and equipment to inventory amounting to Rp461,342,063,858 (see Note 7).

In 2015, the Group reclassified property and equipment to investment property amounting to Rp54,835,032,831 (see Note 13).

Construction in progress represents hospitals and mall buildings. As of June 30, 2016, construction in progress has reached 15% - 97% and estimated the completion within June 2017 until September 2017. Management believes that there is no other matter which will hinder the completion.

Depreciation charges that were allocated in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	2016 (6 Months) Rp	2015 (6 Months) Rp
Cost of Revenues	124,056,231,797	114,947,618,294
Selling Expenses	9,922,316,268	1,527,470,602
General and Administrative Expenses	94,053,033,031	92,374,735,015
Total	**228,031,581,096**	**208,849,823,911**

Acquisition cost of property and equipment that have been fully depreciated and still in use as of June 30, 2016 and December 31, 2015 amounted Rp117,871,462,880, respectively.

Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, were pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (see Note 23).

Land and building, tools and medical equipment, furniture, fixtures and office equipment of PT Golden First Atlanta, a subsidiary, were pledged as collateral for loan obtained from PT Bank Central Asia Tbk (see Note 23).

There is no borrowing cost capitalized into property and equipment.

The Group's management is in the opinion that there is no impairment in the carrying value of property and equipment as of June 30, 2016.

15. Intangible Assets

Details of carrying value of intangible assets are as follows:

	2016			
	Balance January 1, Rp	Addition Rp	Deduction Rp	Balance June 30, Rp
Acquisition Cost				
Goodwill	512,723,760,675	--	--	512,723,760,675
Software	55,273,187,862	9,973,225,987	--	65,246,413,849
Total Acquisition Cost	567,996,948,537	9,973,225,987	--	577,970,174,524
Accumulated Amortization and Impairment				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	14,405,862,215	2,992,754,936	--	17,398,617,151
Total Accumulated Amortization and Impairment	33,066,466,533	2,992,754,936	--	36,059,221,469
Carrying Value	**534,930,482,004**			**541,910,953,055**

	2015			
	Balance January 1, Rp	Addition Rp	Deduction Rp	Balance December 31, Rp
Acquisition Cost				
Goodwill	512,723,760,675	--	--	512,723,760,675
Software	42,594,192,168	12,678,995,694	--	55,273,187,862
Total Acquisition Cost	555,317,952,843	12,678,995,694	--	567,996,948,537
Accumulated Amortization and Impairment				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	8,370,897,937	6,034,964,278	--	14,405,862,215
Total Accumulated Amortization and Impairment	27,031,502,255	6,034,964,278	--	33,066,466,533
Carrying Value	**528,286,450,588**			**534,930,482,004**

Current period amortization expenses of software was recorded as amortization expenses in other expenses.

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value June 30, 2016 Rp	Net Value December 31, 2015 Rp
PT Tunggal Pilar Perkasa	PT Rashal Siar Cakra Medika	2014	101,776,732,211	101,776,732,211
PT Wisma Jatim Propertindo	PT Anugerah Bahagia Abadi	2014	5,791,607,560	5,791,607,560
PT Manunggal Bumi Sejahtera	PT Asiatic Sejahtera Finance	2014	64,794,498,390	64,794,498,390
PT Koridor Usaha Maju	PT Medika Sarana Traliansia	2013	132,006,537,817	132,006,537,817
PT Lippo Malls Indonesia	PT Mulia Citra Abadi	2012	20,247,679,428	20,247,679,428
PT Persada Mandiri Dunia Niaga	PT Ekaputra Kencana Abadi	2012	15,050,000,000	15,050,000,000
PT Primakreasi Propertindo	PT Bimasakti Jaya Abadi	2012	9,509,000,000	9,509,000,000
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Propertindo	PT Surya Megah Lestari	2012	5,680,000,000	5,680,000,000
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
PT Medika Sarana Traliansia	PT Trisaka Raksa Waluya	2011	75,119,377	75,119,377
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
Net			**494,063,156,357**	**494,063,156,357**

The management believes that the indentified impairment that occurred as of June 30, 2016 and December 31, 2015 have been assessed adequately.

16. Advances

	June 30, 2016 Rp	December 31, 2015 Rp
Advances for Land Acquisition	815,738,292,093	757,008,659,026
Advances for Construction	412,440,837,374	437,482,070,773
Advances for Acquisition of Property and Equipment	145,234,193,309	155,883,238,102
Others	65,181,187,656	79,557,793,409
Total	**1,438,594,510,432**	**1,429,931,761,310**

Advance for construction represents advance paid to contractors for projects construction.

On December 26, 2012, based on memorandum of understanding, PT Irama Karya Megah (IKM), a subsidiary, entered into a land purchase agreement located in Keputih and Gebang Putih administrative village, Surabaya with acquisition cost amounted to Rp250,000,000,000. Until completion date of the interim consolidated financial statements, there has not yet binding for such land purchase agreement.

On January 7, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, amended the land sales and purchase agreement which was signed on December 17, 2012 for purchase consideration of Rp300,000,000,000. As of December 31, 2014, LC has made payment in total of Rp170,100,000,000. On June 29, 2015, this advance was assigned to PT Swadaya Teknopolis (ST) as settlement for acquisition of Premium Venture International Ltd.

On February 19, 2014, PT Gunung Halimun Elok (GHE), a subsidiary, entered into sales and purchase agreement on land located in Bintaro. As of June 30, 2016 GHE has made total payment of Rp73,544,750,000.

On May 28, 2014, PT Bahtera Perkasa Makmur (BPM), a subsidiary, entered into sales and purchase agreement for land located in Manado, North Sulawesi. As of December 31, 2015, BPM has made total payment of Rp23,676,375,000.

On July 22, 2014, PT Great Jakarta Inti Development (GJID), a subsidiary, entered into an agreement of transferring commercial rights of land located in Cibatu, Lippo Cikarang with PT Profita Sukses Abadi. Total value of the agreement is Rp290,000,000,000. As of December 31, 2015 GJID has made total payment of Rp194,000,000,000.

PT Karimata Alam Damai (KAD), a subsidiary, entered into a land purchase agreement with PT Graha Buana Cikarang. Land that object of sales and purchase located at North Cikarang – Jababeka City with the area of 18,896 sqm for purchase consideration of Rp37,792,000,000. Until June 30, 2016, KAD has made total advance payment of Rp37,792,000,000. Until June 30, 2016, KAD still on process of transferred of landright.

PT Gowa Makassar Tourism Development (GMTD), a subsidiary, entered into a land purchase agreement with any parties located at Makassar. Until June 30, 2016, GMTD has made total advance payment of Rp31,155,490,000.

17. Land for Development

	June 30, 2016		December 31, 2015	
	Area Sqm	Value Rp	Area Sqm	Value Rp
The Company	1,001,010	203,753,714,725	1,001,010	205,326,565,494
Subsidiaries:				
PT Gowa Makassar Tourism Development Tbk	1,990,261	360,992,716,374	2,018,900	352,069,358,705
PT Lippo Cikarang Tbk	1,774,496	621,279,404,998	1,196,782	594,919,336,757
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Erabaru Realindo	702,371	22,845,087,500	702,371	22,845,087,500
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Sejatijaya Selaras	84,162	12,927,010,894	84,162	12,927,010,894
PT Bahtera Pratama Wirasakti	83,405	15,520,541,679	83,405	15,520,541,679
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
Total	**6,750,180**	**1,403,371,439,451**	**6,201,105**	**1,369,660,864,310**

Land for development with an area of 212,642 sqm owned by PT Gowa Makassar Tourism Development Tbk, a subsidiary, were pledged as collateral for loans obtained from PT Bank Mandiri (Persero) Tbk (see Note 21).

Land for development of the Group are located at Curug Wetan Village, Curug Kulon, Sukabakti in Curug District; Serdang Wetan Village, Rancagong in Legok District; Ciakar Village, Serdang Kulon, Cukang Galih, Tangerang Regency, Banten; Cipambuan Village in Citeureup District, Bogor Regency, West Java; Sukaresmi, Cibatu, Cicau, Sukamukti, Sirnajati, Jayamukti, Pasirsari in Lemahabang Districts, Bekasi Regency, West Java; Tanjung Merdeka Village, Barombong, Maccini Sombala, Tamanyeleng, Mariso, Benteng Somba Opu in Makassar, South Sulawesi.

Site development permits of each land have been obtained from their respective local governors.

18. Accrued Expenses

	June 30, 2016 Rp	December 31, 2015 Rp
Estimated Cost for Construction	622,531,362,129	511,316,784,930
Interest	101,646,451,032	106,151,996,274
Endowment Care Fund	89,816,053,214	82,274,482,324
Contract Service	35,488,785,800	22,599,833,938
Cost of Revenues	32,953,000,000	37,007,695,825
Professional Fees	28,044,983,971	28,898,365,453
Transfer of Land and Building Tax	24,870,101,540	22,496,540,349
Hedging Premium of Call Spread Option	23,270,934,468	24,104,472,806
Electricity, Water and Telephone	12,573,811,850	9,774,060,248
Repair and Maintenance	10,123,711,600	4,170,571,875
Others	86,558,611,396	157,673,743,621
Total	**1,067,877,807,000**	**1,006,468,547,643**

Accrued cost of revenues represent accrued on unblilled hospitals cost of goods sold. This account will be reclassified to the appropriate account after the invoice is issued.

19. Taxation

a. Tax Expenses

Final Tax Expenses

Details of Group's final tax expenses for the 6 (six) months periods ended June 30, 2016 and 2015 are as follows:

	2016 (6 Months) Rp	2015 (6 Months) Rp
Company		
Rental Revenue - 10%	6,987,028,447	6,882,500,375
Transfer of Land and Building Right - 5%	1,775,107,154	--
Subsidiaries		
Rental Revenue - 10%	16,242,725,453	17,171,860,033
Transfer of Land and Building Right - 5%	90,916,542,731	95,659,376,379
Total Final Tax Expenses	**115,921,403,785**	**119,713,736,787**

Current Tax and Deferred Tax

	2016 (6 Months)			2015 (6 Months)		
	Company Rp	Subsidiaries Rp	Consolidated Rp	Company Rp	Subsidiaries Rp	Consolidated Rp
Current Tax Expenses	10,899,964,801	136,300,251,103	147,200,215,904	11,037,387,669	120,692,861,375	131,730,249,044
Deffered Tax Expenses (Benefits)	1,043,799,488	(12,610,638,646)	(11,566,839,158)	1,708,356,514	3,175,055,482	4,883,411,996
Total Income Tax Expenses	**11,943,764,289**	**123,689,612,457**	**135,633,376,746**	**12,745,744,183**	**123,867,916,857**	**136,613,661,040**

The reconciliation between profit before tax as presented in the interim consolidated statements of profit or loss and other comprehensive income and the Company's estimated fiscal income is as follows:

	2016 (6 Months) Rp	2015 (6 Months) Rp
Profit before Tax as Presented in the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	853,129,873,462	1,122,064,589,023
Deduct:		
Income of Subsidiaries, Associates and Joint Venture	(1,423,590,016,121)	(1,534,963,242,254)
Loss before Company's Income Tax	(570,460,142,659)	(412,898,653,231)
Temporary Differences		
Employee Benefits	1,770,355,263	1,151,418,653
Depreciation of Direct Ownership of Property and Equipment	(2,399,329,844)	(4,426,523,670)
Allowance for Impairment in Value Receivable	105,500,000	93,402,332
Deferred Gain on Sale and Leaseback Transactions	(3,651,723,372)	(3,651,723,372)
Subtotal	(4,175,197,953)	(6,833,426,057)
Permanent Differences		
Donation and Representation	88,051,147	482,449,902
Interest Income Subjected to Final Tax	(2,488,826,705)	(31,735,281)
Revenue Subjected to Final Tax	603,278,545,488	458,512,512,929
Subtotal	600,877,769,930	458,963,227,550
Estimated Fiscal Income	**26,242,429,318**	**39,231,148,262**
Estimated Current Tax - the Company	**5,248,485,864**	**7,846,229,652**

Calculation of estimated current tax and tax payable of subsidiaries are as follows:

	2016 (6 Months) Rp	2015 (6 Months) Rp
Estimated Current Tax - the Company	5,248,485,864	7,846,229,652
Estimated Current Tax - Subsidiaries	129,373,468,172	101,011,229,594
Total Current Tax Expense Consolidated	**134,621,954,036**	**108,857,459,246**
Tax Credit	(54,831,896,573)	(56,273,037,109)
Total Income Tax Payable Article 29 - End Period	**79,790,057,463**	**52,584,422,137**

The reconciliation between the Company's tax expense and the multiplication of the interim consolidated profit before income tax with the prevailing tax rate is as follows:

	2016 (6 Months) Rp	2015 (6 Months) Rp
Profit before Tax as Presented in the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	853,129,873,462	1,122,064,589,023
Deduct:		
Income of Subsidiaries, Associates and Joint Venture	(1,423,590,016,121)	(1,534,963,242,254)
Loss before Company's Income Tax	(570,460,142,659)	(412,898,653,231)
Income Tax Expense at Effective Tax Rate	(113,904,368,634)	(82,238,059,344)
Donation and Representation	17,610,229	96,489,980
Interest Income	(497,765,341)	(6,347,056)
Income Subjected to Final Tax	120,676,809,098	91,702,502,586

	2016 (6 Months) Rp	2015 (6 Months) Rp
Total Tax Expense of the Company	6,292,285,352	9,554,586,166
Previous Period Correction of the Company	5,651,478,937	3,191,158,017
Subtotal	11,943,764,289	12,745,744,183
Tax Expense of the Subsidiaries		
Deferred Tax Subsidiaries	(12,610,638,646)	3,175,055,482
Current Tax Subsidiaries	129,373,468,172	101,011,229,594
Previous Period Correction of the Subsidiaries	6,926,782,931	19,681,631,781
Subtotal	123,689,612,457	123,867,916,857
Total	**135,633,376,746**	**136,613,661,040**

b. Deferred Tax Asset and Liabilities

Details of the Group's deferred tax assets and liabilities are as follows:

	January 1, 2016 Rp	Charged (Credited) to the Interim Consolidated Profit or Loss and Other Comprehensive Income Rp	Additions from Business Combination Rp	Other Comprehensive Income Rp	June 30, 2016 Rp
The Company					
Amortization of Deferred Income from Sale and Lease Back Transactions	10,849,754,629	(912,930,843)	--	--	9,936,823,786
Long-term Employee Benefits Liabilities	5,642,603,749	442,588,816	--	(89,646,671)	5,995,545,894
Allowance Impairment in Value	3,198,772,924	26,375,000	--	--	3,225,147,924
Depreciation	(12,047,184,601)	(599,832,461)	--	--	(12,647,017,062)
	7,643,946,701	(1,043,799,488)	--	(89,646,671)	6,510,500,542
Subsidiaries	39,306,420,577	6,739,506,172	3,684,925,500	(1,159,807,762)	48,571,044,487
Deferred Tax Assets - Net	**46,950,367,278**	**5,695,706,684**	**3,684,925,500**	**(1,249,454,433)**	**55,081,545,029**
Deferred Tax Liabilities	**39,593,675,631**	**(5,871,132,474)**	**--**	**--**	**33,722,543,157**

	January 1, 2015 Rp	Charged (Credited) to the Consolidated Profit or Loss and Other Comprehensive Income Rp	Additions from Business Combination Rp	Other Comprehensive Income Rp	December 31, 2015 Rp
The Company					
Amortization of Deferred Income from Sale and Lease Back Transactions	12,675,616,315	(1,825,861,686)	--	--	10,849,754,629
Long-term Employee Benefits Liabilities	4,117,781,250	709,772,020	--	815,050,479	5,642,603,749
Allowance Impairment in Value	3,127,251,723	71,521,201	--	--	3,198,772,924
Depreciation	(10,793,135,963)	(1,254,048,638)	--	--	(12,047,184,601)
	9,127,513,325	(2,298,617,103)	--	815,050,479	7,643,946,701
Subsidiaries	54,791,394,319	(10,192,060,118)	--	(5,292,913,624)	39,306,420,577
Deferred Tax Assets - Net	**63,918,907,644**	**(12,490,677,221)**	**--**	**(4,477,863,145)**	**46,950,367,278**
Deferred Tax Liabilities	**28,147,868,966**	**11,151,602,989**	**294,203,676**	**--**	**39,593,675,631**

Management believes that the deferred tax assets can be recovered through future taxable profits in the future.

c. Prepaid Taxes

	June 30, 2016 Rp	December 31, 2015 Rp
Income Taxes		
Article 4 (2)	432,257,684,256	416,170,622,193
Article 21	865,100	865,100
Article 22	1,107,271,388	857,054,182
Article 25/29	19,014,243,627	--
Article 28.a	3,524,996,557	6,991,456,142
Value Added Tax	388,781,689,986	393,395,177,617
Total	**844,686,750,914**	**817,415,175,234**

On June 27, 2016, the Company received an overpayment tax assessment letter of corporate income tax article 29 for the fiscal year 2014 amounting to Rp3,524,996,557.

On August 1, 2016, Directorate General of Tax has paid restitution tax amounting to Rp508,480,713 after deducting with underpayment tax assessment letter income tax article 21, 23, 4 (2) and Value Added Tax amounting to Rp3,016,515,844.

On August 15, 2016, the Company filed objection to the Directorate General of Tax related to the restitution above.

d. Taxes Payable

	June 30, 2016 Rp	December 31, 2015 Rp
Income Taxes		
Article 4 (2)	86,897,040,067	68,025,769,772
Article 21	43,436,209,978	39,806,304,655
Article 23	7,430,272,085	6,893,741,447
Article 25/29	79,790,057,463	62,007,027,350
Article 26	14,809,837	20,639,437
Value Added Tax	54,502,809,370	48,390,142,668
Hotel and Restaurant Tax	3,264,416,640	3,271,259,437
Entertainment Tax	559,083,999	559,083,999
Total	**275,894,699,439**	**228,973,968,765**

e. Administration

Fiscal laws in Indonesia requires that each company calculate, determine and pay the amount of tax payable individually.

Based on the prevailing laws, the Director General of Tax (“DJP”) may asses or amend taxes within a certain period of time. For fiscal years 2007 and earlier, the period is ten years since the tax become payable but not more than 2013, while for the fiscal years 2008 and onwards, the period is five years from the time of the tax become payable.

Details of letters of Tax Underpayment Assesment Letter (SKPKB) obtained by the Company and subsidiaries in 2015 are as follows:

June 30, 2016			
Fiscal Year	**Entity**	**Taxes Category**	**Amount Rp**
2015	The Company	Income Tax Article 4 (2)	1,580,002,009
		Income Tax Article 21	26,754,632
		Income Tax Article 23	49,123,993
		Income Tax Article 29	5,651,478,937
		Value Added Tax	75,800,906

June 30, 2016

Fiscal Year	Entity	Taxes Category	Amount Rp
2015	PT Almaron Perkasa	Income Tax Article 29	2,277,911,875
2015	PT Makassar Permata Sulawesi	Income Tax Article 29	128,906,250
2015	PT Menara Tirta Indah	Income Tax Article 29	3,814,529,057
2015	PT Bimasakti Jaya Abadi	Income Tax Article 29	222,043,875
2015	PT Gunung Halimun Elok	Income Tax Article 29	191,473,309
2015	PT Satyagraha Dinamika Unggul	Income Tax Article 29	291,918,565

December 31, 2015

Fiscal Year	Entity	Taxes Category	Amount Rp
2015	PT Siloam International Hospitals Tbk	Income Tax Article 25	3,466,459,585
2013	PT Trisaka Reksa Waluya	Income Tax Article 4 (2)	99,218,768
		Income Tax Article 21	77,137,426
		Income Tax Article 23	633,304,318
		Value Added Tax	151,925,386
	PT Siloam International Hospitals Tbk	Income Tax Article 21	1,521,788,258
		Income Tax Article 23	29,164,692
2012	The Company	Income Tax Article 4 (2)	4,747,002,838
		Income Tax Article 15	250,975,552
		Income Tax Article 21	1,403,636,148
		Income Tax Article 26	1,903,200,206
		Income Tax Article 29	112,797,370
		Value Added Tax	831,057,718
2012	PT Almaron Perkasa	Income Tax Article 4 (2)	6,595,613,164
		Income Tax Article 21	215,939,911
		Income Tax Article 23	585,673,755
		Income Tax Article 29	2,035,663,410
		Value Added Tax	20,988,697,173
	PT Gading Nusa Utama	Income Tax Article 29	11,711,259,910
	PT Gowa Makassar Tourism Development Tbk	Income Tax Article 4 (2)	667,026,060
		Income Tax Article 29	519,811,150
		Value Added Tax	5,156,499,312
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	133,820,923
		Income Tax Article 23	758,292,644
		Income Tax Article 29	788,163,085
		Value Added Tax	294,748,680
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	72,438,723
		Income Tax Article 23	2,247,598,340
	PT Medika Sarana Traliansia	Income Tax Article 4 (2)	48,596,348
		Income Tax Article 21	221,556,655
		Income Tax Article 23	69,846,114
		Income Tax Article 26	124,525,776
		Value Added Tax	22,254,525
	PT Trisaka Reksa Waluya	Income Tax Article 4 (2)	119,155,227
		Income Tax Article 21	34,822,736
		Income Tax Article 23	279,872,903
		Value Added Tax	75,050,825
	PT Siloam International Hospitals Tbk	Income Tax Article 4 (2)	37,274,557
		Income Tax Article 21	2,335,042,096
		Income Tax Article 23	235,761,307
		Income Tax Article 26	620,793
		Value Added Tax	881,248,972

December 31, 2015

Fiscal Year	Entity	Taxes Category	Amount Rp
2011	The Company	Income Tax Article 4 (2)	6,272,552,955
		Income Tax Article 21	1,007,638,508
		Income Tax Article 23	668,612,865
		Income Tax Article 26	2,495,872,114
		Income Tax Article 29	1,296,360,302
		Value Added Tax	1,179,975,627
	PT Pendopo Niaga	Income Tax Article 4 (2)	5,361,999,791
		Value Added Tax	5,245,910,103
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	667,945,460
		Income Tax Article 23	491,274,606
		Income Tax Article 29	979,428,850
		Value Added Tax	1,451,133,192
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	995,855,561
		Income Tax Article 23	136,695,997
	PT Siloam International Hospitals Tbk	Income Tax Article 15	36,591,106
		Income Tax Article 21	516,205,704
		Income Tax Article 23	49,088,811
		Value Added Tax	12,953,589
2010	The Company	Income Tax Article 21	195,820,594
		Income Tax Article 23	90,720,461

20. Trade Accounts Payable – Third Parties

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Contractors	651,037,090,840	406,677,512,278
Suppliers	366,660,645,837	231,871,520,480
Doctor Fees	98,027,107,195	100,294,181,694
Others	75,260,519,864	44,073,082,372
Total	**1,190,985,363,736**	**782,916,296,824**

There is no collateral given by the Group on these payables.

Trade payable denominated in Rupiah and foreign Currencies. Trade payable denominated in foreign currencies is presented in Notes 45 and 47.

21. Short-Term Bank Loans

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
PT Bank Mega Tbk	1,200,000,000,000	630,000,000,000
PT Bank Negara Indonesia (Persero) Tbk	270,000,000,000	220,000,000,000
PT Bank ICBC Indonesia	70,000,000,000	75,000,000,000
PT Bank Mandiri (Persero) Tbk	70,000,000,000	35,000,000,000
PT Bank Central Asia Tbk	2,913,618,071	2,173,564,967
Total	**1,612,913,618,071**	**962,173,564,967**

PT Bank Mega Tbk
Based on Credit Agreement No. 135 dated October 30, 2015 which was made in the presence of Mellyani Noor Shandra, S.H, a notary in Jakarta and last amended in Amendement of Credit Agreement No 24 dated December, 7, 2015, PT Mandiri Cipta gemilang (MCG) obtained credit facility with maximum credit limit amounted to Rp1,200,000,000,000. This facility bears an interest of 14.5% per annum and will mature on October 30, 2016.

Secured assets for this facility are as follows:
- Land owned by MCG with an area of 35,351 sqm located in Kembangan Selatan Village, Kembangan District Daerah Khusus Ibukota (DKI) Jakarta Province (see Note 7); and
- Land owned by MCG with an area of 38,365 sqm located in Kembangan Selatan Village, Kembangan District DKI Jakarta Province (see Note 7).

As of June 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to Rp1,200,000,000,000 and Rp630,000,000,000, respectively.

PT Bank Negara Indonesia (Persero) Tbk
- Based on Credit Agreement No. 34 dated March 29, 2007 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (11) 34 dated June 9, 2016, the Company obtained Working Capital Facility (KMK) with maximum credit limit amounted to Rp250,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2017. As of June 30, 2016 and December 31, 2015, the outstanding balance for this facility amounted to Rp250,000,000,000 and Rp200,000,000,000, respectively.

- Based on Credit Agreement No. 44 dated October 30, 2006 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (10) 34 dated June 9, 2016, the Company obtained Working Capital Facility (KMK) with maximum credit limit amounted to Rp20,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2017. As of June 30, 2016 and December 31, 2015, the outstanding balance for this facility amounted to Rp20,000,000,000 and Rp20,000,000,000, respectively.

Both facilities are secured by 21,940 sqm of land in Lippo Village Residences, Jl. Boulevard Jend, Sudirman, Kelapa Dua Village, Curug District, Tangerang, Banten Province, with details as follows:
1. Building Rights (SHGB) No. 3695 with an area of 340 sqm dated January 9, 1998 (Certificate due date January 9, 2028) which is registered under the name of the Company (see Note 7).
2. SHGB No. 2866 with an area of 15,235 sqm dated April 4, 1997 (Certificate due date September 24, 2022) which is registered under the name of the Company (see Note 7).
3. SHGB No. 4028 with an area of 6,365 sqm dated August 6, 1998 (Certificate due date August 6, 2028) which is registered under the name of the Company (see Note 7).

Interest and borrowing costs capitalized to inventory for the 6 (six) months period ended June 30, 2016 amounted to Rp16,269,012,221 (see Note 7).

PT Bank ICBC Indonesia

The Company
Based on Credit Agreement No. 85 dated October 25, 2012 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta and last amended in Extention Credit Agreement No. 143/ICBC-MK/PTD/X/2011/P5 dated October 16, 2015, the Company obtained Credit Facility with maximum credit limit amounted to Rp70,000,000,000. This facility bears an interest of 12% per annum and will mature on October 25, 2016. This Loan is secured by a parcel of land with an area of 94,500 sqm (SHGB 2014/Sukaresmi) and an area of 2,500 sqm (SHGB 2012/Sukaresmi). As of June 30, 2016 and December 31, 2015, outstanding balance for this facility amounted to Rp70,000,000,000 and Rp45,000,000,000, respectively.

Interest and borrowing costs capitalized to inventory for the 6 (six) months period ended June 30, 2016 amounting to Rp4,136,666,666 (see Note 7).

PT Lippo Cikarang Tbk
Based on Deed of Loan Agreement No. 86 dated October 20, 2010 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, and has been amended several times and the latest amended on November 4, 2015 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P5 and Deed of Amendment and Restatement of Credit Agreement No. 98 dated November 30, 2015, PT Lippo Cikarang Tbk, a subsidiary, obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia with maximum credit limit amounted to Rp215,000,000,000 (PTD A-1 Rp30,000,000,000,000, PTD A-2 Rp185,000,000,000) and bears an interest of 12% per annum and will mature on October 25, 2016 and November 30, 2016, respectively. This Loan is secured by a parcel of land with an area of 38,901 sqm, with the Building Rights (HGB) No. 178/Sukaresmi registered under the name of PT Waska Sentana, a subsidiary (see Note 7). As of June 30, 2016 and December 31, 2015 oustanding balance for this facilitiy amounted to nil and Rp30,000,000,000, respectively.

PT Bank Mandiri (Persero) Tbk
Based on Credit Agreement No. 05 dated April 23, 2015 which was made in the presence of Andi Fitriani S.H., M.Kn a notary in Makassar, PT Gowa makassar Tourism Development Tbk (GMTD), a subsidiary, obtained Working Capital Facility (KMK) from PT Bank Mandiri (Persero) Tbk with maximum credit limit amounted to Rp50,000,000,000. This facility bears an interest of 12% per annum and will due on April 23, 2016. This facility is secured by 180,634 sqm land for development belong to GMTD in Barombong Village, Tamalate District, Makassar City (see Note 17). Subsequently, based on the amendment of the credit agreement dated January 22, 2016, which was made in the presence of the same notary, the maximum credit limit of KMK increased from Rp50,000,000,000 to Rp200,000,000,000 and the collateral of land for development increased from previously 180,634 sqm become 212,642 sqm and will due on January 21, 2017. Outstanding balance of the facility as of June 30, 2016 and December 31, 2015 amounted to Rp70,000,000,000 and Rp35,000,000,000, respectively.

PT Bank Central Asia Tbk
Based on Credit Agreement No. 1 dated April 1, 2003 which was made in the presence of Yandes Effriady, S.H., a notary in Jambi and Letter of Lending No. 0242/JAM/2010 dated February 3, 2010, amendment of Credit Agreement No. 54 dated July 19, 2010 which was made in the presence of Hasan S.H., a notary in Jambi, which later amended with renewal Letter No. 0163-ADD-2015 dated July 30, 2015, PT Golden First Atlanta (GFA), a subsidiary, obtained facility Local Credit (Overdraft) with maximum credit limit amounted Rp5,000,000,000. This facility bears an interest of 12.5% per annum. Collateral for this facility is cross collateral with long-term facilitiy (see Note 23).

22. Other Current Financial Liabilities

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Unidentified Payments	181,458,848,579	105,064,391,827
Payables to Non-controling Interest of a Subsidiary	153,604,952,956	153,604,952,956
Transfer of Title	87,007,059,697	39,120,041,217
Payable from Acquisition of a Subsidiary	10,722,222,912	12,062,499,966
Other Payables	86,385,312,246	30,014,046,734
Total	**519,178,396,390**	**339,865,932,700**

Unidentified payments represent receipt of collection have not yet identifiable by the Group.

23. Long-Term Bank Loans

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
PT Bank CIMB Niaga Tbk	287,469,513,853	290,596,043,447
PT Bank J Trust Indonesia Tbk	237,550,133,299	198,889,752,826
Bank Pembangunan Daerah Kalimantan Timur	20,799,808,655	24,041,220,753
PT Bank Central Asia Tbk	3,241,931,494	6,483,862,981
	549,061,387,301	520,010,880,007
Current Portion	59,369,236,029	48,261,246,570
Non-Current Portion	**489,692,151,272**	**471,749,633,437**

Bank CIMB Niaga Tbk

Based on credit agreement No. 23, dated August 18, 2015, which was made in presence of Unita Christina Winata, S.H., a notary in Jakarta, PT Pamor Paramita Utama (PPU), a subsidiary, obtained special transaction loan facilities (on liquidation basis) with the maximum credit limit amounted to Rp450,000,000,000 divided into two tranches as follows:

- Special Transaction A facility (Tranche A) with maximum plafond of Rp300,000,000,000 for the purpose of refinancing Lippo Mall Kuta and Hotel's development cost. Tenor of this credit is 7 years or 84 months, bears an interest rate of 11% per annum. As of June 30, 2016, outstanding facility obtained by PPU amounted to Rp300,000,000,000.

- Special Transaction B facility (Tranche B) with maximum plafond of Rp150,000,000,000 for the purpose of developing 5 stars Hotel in Kuta – Bali. Tenor of this credit is 7 years or 84 months, bears an interest rate of 11.5% per annum. As of June 30, 2016, PPU has not yet used this facility.

These loans are secured by land with an area of 21,150 sqm and Building Rights (HGB) No.875/ KUTA located at Jalan Kartika Plaza, Kuta, Subdistrict, Subprovince Badung, Bali Province in the name of PPU (see Note 7).

For these facilities, PPU is required to maintain financial ratios based on audited financial statements as follows:

- Debt Services Coverage Ratio (DSCR) at a minimum 1x from 2017 to 2022.
- Bank loan to Earning Before Interest Tax, Depreciation and Amortization (EBITDA) ratio at a maximum 4x in 2017, 3x in 2018, 2x in 2019, 1.5x in 2020 and 1x in 2021 to 2022.
- Gearing Ratio at a maximum 3,5x in 2017, 2,5x in 2018, 1,5x in 2019 and 1x in 2020 to 2022.

The payment of this loan for the 6 (six) months period ended June 30, 2016 amounted to Rp7,500,000,000.

As of June 30, 2016 and December 31, 2015 the outstanding balance of the Tranche A facility amounted to Rp287,469,513,853 and Rp290,596,043,447, respectively.

PT Bank J Trust Indonesia Tbk

Based on letter of credit confirmation (SPK) No.21 dated October 28, 2015, which was made in presence of Emi Susilowati, S.H., a notary in Jakarta, PT Asiatic Sejahtera Finance (ASF), a subsidiary, obtained a term installment credit facility with a maximum credit limit amounted to Rp240,000,000,000 and bears interest rate of 12.25% per annum for the purpose of financing of mortage agreement (KPR) which will mature not more than 5 (five) years and 13% for financing of KPR that will due between 5-15 years. This facility was used to funding of Group's property KPR. This loan will mature on April 30, 2023.

All trade receivables of ASF were used as colleteral for this facility (see Note 4).

The payment of this loan for the 6 (six) months period ended June 30, 2016 amounted to Rp16,370,750,565.

As of June 30, 2016 and December 31, 2015 the outstanding balance of this facility amounted to Rp237,550,133,299 and Rp198,889,752,826, respectively.

Bank Pembangunan Daerah Kalimantan Timur
Based on Deed of Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum amount of Rp50,000,000,000 bears interest rate of 11.5% per annum. This loan was used to funding development of hospitals and paying its loan obtained from PT Bank Mandiri (Persero) Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:
- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Gang Bahagia, Balikpapan which is registered under the name of BDH (see Note 14).
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000 (see Note 14).

There is no restrictive financial ratio which should be maintained by BDH.

The payment of this loan for the 6 (six) months period ended June 30, 2016 amounted to Rp2,890,867,448.

As of June 30, 2016 and December 31, 2015 the oustanding balance of this facility amounted to Rp20,799,808,655 and Rp24,041,220,753, respectively.

PT Bank Central Asia Tbk
Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amendement of Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S.H., a notary in Jambi and was renewed by Letter No.0908/JAM/2016 dated May 11, 2016, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:
- Local Credit Facility (Current Account) at a maximum amount of Rp5,000,000,000.
- Investment Credit Facility at a maximum amount of Rp32,419,314,946.

Both facilities bear annual interest rate of 12.25% for the 6 (six) months period ended June 30, 2016 and 12.5% for the year ended December 31, 2015. Both facilities will mature on May 5, 2017 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:
- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary (see Note 14).
- GFA's medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments (see Notes 4, 7 and 14).

Based on the loan agreement, GFA has to maintain a maximum debt to equity ratio of 2.2 times. As of June 30, 2016 and December 31, 2015, GFA has complied with the required debt ratio.

The payment of this loan for the 6 (six) months period ended June 30, 2016 amounted to Rp3,241,931,494.

As of June 30, 2016 and December 31, 2015, the oustanding balance of this facility amounted to Rp3,241,931,494 and Rp6,483,862,981, respectively.

24. Finance Lease Obligation

On May 2016, PT Siloam International Hospitals Tbk, a subsidiary, obtained leasing facility from PT Century Tokyo Leasing Indonesia (CTLI) related to acquisition of medical equipment with leased value amounted to Rp30,237,991,386 and payment period of 60 months which bears an effective annual interest of 12.65%.

The future minimum lease payments based on lease agreement is as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
2016	4,052,886,000	--
2017	8,105,772,000	--
2018	8,105,772,000	--
2019	8,105,772,000	--
2020	8,105,772,000	--
2021	2,701,924,000	--
Total	39,177,898,000	--
Less: Interest Portion	(10,060,048,061)	--
Obligations under Finance Leases - Net	**29,117,849,939**	**--**
Obligations under Finance Leases Current Maturities	**4,651,669,212**	--
Obligations under Finance Leases Net of Current Maturities	**24,466,180,727**	**--**

The outstanding balance of this facility as of June 30, 2016 amounted to Rp29,117,849,939.

25. Bonds Payable

	June 30, 2016 Rp	December 31, 2015 Rp
Nominal (2016 and 2015: USD803,306,000)	10,587,573,080,000	11,081,606,270,000
Premium	67,239,509,759	79,896,804,989
Bond Issuance Cost	(243,641,188,211)	(278,444,063,173)
Jumlah	**10,411,171,401,548**	**10,883,059,011,816**
Premium (net of discount)	130,712,649,999	136,811,912,499
Less : Accumulated Amortization	(63,473,140,240)	(56,915,107,510)
Unamortized Premium	**67,239,509,759**	**79,896,804,989**
Bond Issuance Costs	429,475,753,222	440,735,932,790
Less : Accumulated Amortization	(185,834,565,011)	(162,291,869,617)
Unamortized Bond Issuance Cost	**243,641,188,211**	**278,444,063,173**

The Company initiated several fund raising by issuing bonds to support the Group's business.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity year and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will due on April 30, 2015. Payment of interest will be conducted every 6 months. These bonds have been fully paid on November 14, 2012 and April 30, 2013, respectively.

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD100,000,000. Both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity year and will due on May 16, 2019. Payment of interest is conducted every 6 months. As of June 30, 2016 and December 31, 2015, accrued interest expense amounted to USD2,138,889 and USD2,138,889 (equivalent to Rp28,190,557,020 and Rp29,505,973,755), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, TC, a subsidiary, issued unsecured bonds with nominal value of USD273,306,000 in exchange with bond of SC for a nominal value of USD253,713,000 and paid USD22,666,000. This bonds bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of June 30, 2016 and December 31, 2015, accrued interest expense amounted to USD2,185,499 and USD2,185,499 (equivalent to Rp28,804,876,820 and Rp30,148,958,705), respectively.

On January 14, 2013, TC, a subsidiary, issued unsecured bonds with a nominal value of USD130,000,000 with a fixed interest rate of 6.125% per year and are listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and payment of interest is conducted every 6 months. As of June 30, 2016 and December 31, 2015 accrued interest expenses amounted to USD1,039,549 and USD1,039,549 (equivalent to Rp13,701,255,820 and Rp14,340,578,455), respectively.

On April 30, 2013, SC, a subsidiary, has been fully paid the remaining bond amounting to USD119,229,000 at a price of 104.5%.

On April 11, 2014, TC, a subsidiary, issue unsecured bonds with a nominal value of USD150,000,000 with a fixed interest rate of 7% per year and are listed on the Singapore Stock Exchange. The bonds will mature on April 11, 2022 and payment of interest is conducted every 6 months. As of June 30, 2016 and December 31, 2015 accrued interest expenses amounted to USD1,429,167 and USD1,429,167 (equivalent to Rp18,836,421,060 and Rp19,715,358,765), respectively.

Borrowing costs capitalized into land under development for the 6 (six) months period ended June 30, 2016 and for the year ended December 31, 2015 amounting to Rp344,399,778,842 and Rp853,470,852,432, respectively (see Note 7).

These bonds have been rated B+ by Standard & Poor's and BB- by Fitch and Ba3 by Moody's.

The Company has to comply with certain restrictions under bond covenants as stipulated in the Offering Circular.

The Company entered into Non-Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on these foreign currency denominated bonds (see Note 43.d).

26. Post-employment Benefits Liabilities

Post-Employment Benefits – Defined Benefits Plan
Group appointed independent actuaries to determine post-employment liability in accordance with the existing manpower regulations. The management has provided reserve on post-employment benefits liabilities as of June 30, 2016 and December 31, 2015. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

Post-employment benefits recognized in the interim consolidated statements of financial position are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Present Value of Defined Benefit Obigation, end of period/year	312,706,115,359	311,085,515,426
Fair Value Asset Plan	--	--
Total	**312,706,115,359**	**311,085,515,426**

The details of post-employment benefits expense recognized in the interim consolidated statements of profit or loss and other comprehensive income are as follows:

	2016 (6 months) Rp	2015 (6 months) Rp
Current Service Cost	16,689,877,463	14,230,216,805
Interest Expense	12,124,188,751	10,233,623,796
Total	**28,814,066,214**	**24,463,840,601**

Post-employment benefits expense is recorded as part of salaries and employee's benefits expense.

Reconciliation of changes in liabilities recognized in the interim consolidated statements of financial position is as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Beginning Balance of Period/Year	311,085,515,426	255,676,668,775
Payment of Employees' Benefits	(4,782,102,926)	(13,833,177,065)
Other Comprehensive Income (Loss)	(22,411,363,355)	8,914,005,266
Current Service Cost and Interest Expenses	28,814,066,214	60,328,018,450
Ending Balance of Period/Year	**312,706,115,359**	**311,085,515,426**

Reconciliation of changes in present value of defined benefits obligation are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Present Value of Defined Benefits Obigation at Beginning Period/Year	311,085,515,426	255,676,668,775
Current Service Cost	16,689,877,463	39,604,042,307
Interest Expense	12,124,188,751	20,723,976,143
Payment of Employees' Benefits	(4,782,102,926)	(13,833,177,065)
Expected Present Value of Defined Benefits Obligation at End of Period/Year	**335,117,478,714**	**302,171,510,160**
Actual Present Value of Defined Benefits Obligation at End of Period/Year	**312,706,115,359**	**311,085,515,426**
Actuarial Gain (Loss) Current Period/Year	**22,411,363,355**	**(8,914,005,266)**

Movement of consolidated of other comprehenshive income is as follow:

	June 30, 2016 Rp	December 31, 2015 Rp
Beginning Balance	(66,588,357,353)	(57,674,352,087)
Other Comprehenshive Income (Loss) Current Period/Year	22,411,363,355	(8,914,005,266)
Ending Balance	**(44,176,993,998)**	**(66,588,357,353)**

The defined benefits plan gives the Group exposure of interest rate risk and salary risk.

Interest Risk
The present value of the defined benefits plan liability is calculated using the interest of government bond, therefore, the decreasing in the government bond interest rate will increase defined benefits plan liability.

Salary Risk
The present value of the defined benefits plan is calculated using the assumption of future salaries increase, therefore, the increasing of salary percentage will increase defined benefits plan liability.

Sensitivity analysis
Increasing 1% of assumed discount rate on June 30, 2016, will impact to the decrease of employee benefits expenses amounted to Rp27,986,400,601.

Decreasing 1% of assumed discount rate on June 30, 2016, will impact to the increase of employee benefits expenses amounted to Rp33,114,653,730.

Increasing 1% of assumed salary rate on June 30, 2016, will impact to the increase of employee benefits expenses amounted to Rp17,485,030,866.

Decreasing 1% of assumed salary rate on June 30, 2016, will impact to the decrease of employee benefits expenses amounted to Rp16,418,806,947.

Present value of defined benefits obligation, related current service cost and past service cost were calculated by independent actuaries using the following assumptions for the 6 (six) months period ended June 30, 2016 and the year ended December 31, 2015:

	June 30, 2016	December 31, 2015
Discount Rates	7.63% - 7.90%	8.00% - 8.50%
Salary Increase Projection Rate	8.00%	8.00%
Mortality Rate	TMI-2011	TMI-2011
Permanent Disability Rate	10% x TMI-2011	10% x TMI-2011
Resignation Rate	5.00%	5.00%

27. Advances from Customers

	June 30, 2016 Rp	December 31, 2015 Rp
Third Parties		
Apartments	2,283,187,315,453	2,359,555,422,693
Residential Houses and Shophouses	2,262,222,756,490	2,416,961,151,575
Shopping Centers	272,396,854,629	324,884,091,156
Land Lots	166,502,749,500	110,343,742,125
Total	4,984,309,676,072	5,211,744,407,549
Current Portion	2,139,845,313,533	863,192,440,180
Non-Current Portion	**2,844,464,362,539**	**4,348,551,967,369**

Details of the percentage of advances from customer to sales price are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
100%	3,060,363,150,745	4,182,357,444,064
50% - 99%	858,164,056,877	646,692,082,547
20% - 49%	656,176,922,581	371,357,549,130
Di bawah 20%	409,605,545,869	11,337,331,808
Total	**4,984,309,676,072**	**5,211,744,407,549**

28. Deferred Income

	June 30, 2016 Rp	December 31, 2015 Rp
Related Party		
Rent (see Notes 10 and 43.b)	478,765,198,778	439,772,767,140
Third Parties		
Rent	300,647,880,834	341,175,896,024
Others	55,431,594,034	58,243,147,826
Subtotal	356,079,474,868	399,419,043,850
Total Deferred Income	834,844,673,646	839,191,810,990
Current Portion	396,419,521,425	480,093,178,686
Non-Current Portion	**438,425,152,221**	**359,098,632,304**

29. Deferred Gain on Sale and Leaseback Transactions

	June 30, 2016 Rp	December 31, 2015 Rp
Acquisition Cost	791,727,059,928	791,727,059,928
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	664,188,293,227	664,188,293,227
Proceeds	2,445,894,179,389	2,445,894,179,389
Less: Gain Credited to the Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	70,196,779,840	70,196,779,840
Deferred Gain on Sale and Leaseback Transactions	1,711,509,106,322	1,711,509,106,322
Foreign Exchange Translation	214,814,216,379	142,456,546,067
Accumulated Amortization	(826,839,855,049)	(674,507,654,901)
Deferred Gain on Sale and Leaseback - Net	1,099,483,467,652	1,179,457,997,488
Current Portion	131,577,159,117	132,766,996,702
Non-Current Portion	**967,906,308,535**	**1,046,691,000,786**

Deferred gain on sale and leaseback transactions are amortized over 15 years of lease period using the straight line method (see Note 43.b).

30. Capital Stock

The Company stockholders' composition as of June 30, 2016 and December 31, 2015 are as follows:

Stockholders	June 30, 2016 Total Shares	June 30, 2016 Percentage Ownership %	June 30, 2016 Issued and Fully Paid Rp	December 31, 2015 Total Shares	December 31, 2015 Percentage Ownership %	December 31, 2015 Issued and Fully Paid Rp
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800	4,126,619,908	18.12	412,661,990,800
PT Metropolis Propertindo Utama	1,212,280,000	5.32	121,228,000,000	1,212,280,000	5.32	121,228,000,000
Public (each below 5%)	17,432,685,211	76.56	1,743,268,521,100	17,432,685,211	76.56	1,743,268,521,100
Subtotal	**22,771,585,119**	**100.00**	**2,277,158,511,900**	**22,771,585,119**	**100.00**	**2,277,158,511,900**
Treasury Stocks	**306,104,500**		**30,610,450,000**	**306,104,500**		**30,610,450,000**
Total	**23,077,689,619**		**2,307,768,961,900**	**23,077,689,619**		**2,307,768,961,900**

The details acquisition of treasury stocks as of June 30, 2016 and December 31, 2015 are as follows:

Reporting Period	No Register Letter to Bapepam - LK	Total Shares	Acquisition Cost (Rp)
2011	005/LK-COS/I/2012 Dated November 15, 2011	96,229,500	61,577,515,000
2012	175/LK-COS/VII/2012 Dated July 13, 2012	209,875,000	154,946,598,794
Total		**306,104,500**	**216,524,113,794**

31. Additional Paid in Capital - Net

	Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
Jumlah	**4,063,148,621,880**

Paid in Capital Excess of Par – Net

	Rp
Rights Issue I	
Paid in Capital Excess of Par - Net on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Subtotal	75,439,569,336
Rights Issue II	
Paid in Capital Excess of Par - Net on Stock on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	477,605,385,137
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	1,927,996,868,067
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	811,394,200,000
Total Paid in Capital Excess of Par - Net	**4,043,613,274,615**

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the business combination exercised under purchase method represents the difference between the highest share price reached during the 90 days year prior to the announcement of the business combination and par value of the Company's issued shares.

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

Difference in Value from Restructuring Transactions between Entities Under Common Control Net

	Rp
Transaction Before Business Combination	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	(4,677,115,352)
Transaction from Business Combination	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	(85,173,967,500)
Difference in Value	190,663,253,676
Realization	(84,027,724,260)
Net	106,635,529,416
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	(265,747,071,500)
Difference in Value	(196,519,120,943)
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	(39,637,690,500)
Difference in Value	159,677,075,500
Realization	(45,581,021,356)
Difference in Value, Net of Realization	114,096,054,144
Net	**19,535,347,265**

Difference in value from the restructuring transaction PT Saptapersada Jagatnusa (SPJN) was incurred during the Company's acquisition of SPJN in 2001.

Difference in value from restructuring transactions between entities under common control from business combination amounting to Rp190,663,253,676, Rp(196,519,120,943) and Rp159,677,075,500, respectively, were incurred from the merger of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta in 2004. The difference was determined from the difference in net asset value of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta and the nominal value of new shares issued by the Company.

32. Difference in Transactions with Non-Controlling Interest

On June 12, 2015, PT Kuta Beach Paragon and PT Primakreasi Propertindo, both subsidiary, acquired 13.5% shares of PT Graha Buana Utama (GBU) from PT Mahanaim with the price of Rp25,358,527,564. The excess of acquisition cost over the subsidiary's net assets amounted to Rp22,988,443,294 was recorded as difference in transactions with non-controlling interest.

On February 12, 2015, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired 25% shares of PT Wahana Usaha Makmur (WUM) from PT Mahanaim with the price of Rp15,334,000,000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp43,851,181,695 was recorded as difference in transactions with non-controlling interest.

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, subsidiaries, made disposal on its investment of 75,300,000 shares or equivalent to 6.51% and 17,500,000 shares or equivalent to 1.51% share ownership in PT Siloam International Hospitals Tbk (SIH) with the price per share of Rp12,250 amounted to Rp1,136,800,000. Gain on disposal of investments amounting Rp1,000,581,189,869 was recorded as difference in transactions with non-controlling interest.

On November 28, 2014, PT Tunggal Pilar Perkasa, a subsidiary, acquired 20% shares of PT Medika Sarana Traliansia (MST) from Steer Clear Ltd with the price of Rp45.030.000.000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp25,748,354,393 was recorded as difference in transactions with non-controlling interest.

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, made disposal on its investment of 82,500,000 shares in SIH or equivalent to 7.1% share ownership in SIH with the price per share of Rp10,400 or Rp858,000,000,000. Gain on disposal of investments amounting to Rp741,092,494,948 was recorded as difference in transactions with non-controlling interest.

In 2013, several subsidiaries, acquired ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) of 3,400,000 shares or equivalent to 3.35% share ownership in GMTD. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp5,645,114,201 was recorded as difference in transactions with non-controlling interest.

On September 2, 2013, PT Nilam Biru Bersinar, a subsidiary, made disposal on its investment of 5,900,000 shares in SIH or equivalent to 0.59% share ownership in SIH. Gain on disposal of investments amounting Rp51,469,368,863 was recorded as difference in transactions with non-controlling interest.

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp45,889,312,357 was recorded as difference in transactions with non-controlling interest.

In 2012, WJP, a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp7,525,000,000 was recorded as difference in transactions with non-controlling interest.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd from Mappletree LM Pte. Ltd, a third party, and thus the ownership of Peninsula increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp177,677,727,750 was recorded as difference in transactions with non-controlling interest.

The following is the calculation of the difference in transactions with non-controlling interest:

	June 30, 2016 Rp	December 31, 2015 Rp
Shares Acquired from Non-Controlling Interest		
Acquisition Cost	(384,406,170,421)	(384,406,170,421)
Net Asset Value of Acquired	163,553,107,510	163,553,107,510
Difference from Foreign Currency Translations	(21,105,562,928)	(21,105,562,928)
Subtotal	(241,958,625,839)	(241,958,625,839)

	June 30, 2016 Rp	December 31, 2015 Rp
Shares Disposal to Non-Controlling Interest		
Purchase Consideration	2,047,900,000,000	2,047,900,000,000
Net Assets Disposed	(254,756,946,500)	(254,756,946,500)
Subtotal	1,793,143,053,500	1,793,143,053,500
Total	**1,551,184,427,661**	**1,551,184,427,661**

33. Other Equity Components

On September 2, 2013, PT Siloam International Hospitals Tbk (SIH), a subsidiary, issued shares to public through initial public offering of 156,100,000 shares in Indonesia Stock Exchange. On the issuance of such new shares, the ownership of the Group in SIH changed from 100% to 85.99%. Changes in the value of investment before and after the transaction is Rp1,105,101,368,218.

34. Cash Dividend and Reserved Fund

Based on Deed of Annual General Meeting of Stockholders No.55 dated March 24, 2016 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp80,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2015.

Based on Deed of Annual General Meeting of Stockholders No. 39 dated June 12, 2015 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp380,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2014.

35. Other Comprehensive Income

	June 30, 2016 Rp	December 31, 2015 Rp
Gain from Translations Financial Statements in Foreign Currency	367,795,231,552	426,111,052,423
Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets	449,059,638,555	55,912,286,591
Total	**816,854,870,107**	**482,023,339,014**

Gain on Remeasurement in Fair Value of Available-for-Sale Financial Assets

	June 30, 2016 Rp	December 31, 2015 Rp
Investment FREIT (see Note 5)		
Bridgewater International Ltd	638,685,063,228	552,993,489,390
Bowsprit Capital Corporation Ltd	143,319,544,823	121,247,751,413
PT Menara Tirta Indah	222,834,564,144	200,253,526,030

	June 30, 2016 Rp	December 31, 2015 Rp
Investment LMIRT (see Note 5)		
Bridgewater International Ltd	(573,953,005,312)	(783,757,278,190)
LMIRT Management Ltd	(7,254,702,795)	(44,523,482,517)
Investment KIJA (see Note 5)		
Intellitop Finance Limited	25,428,174,467	9,698,280,465
Total	**449,059,638,555**	**55,912,286,591**

36. Non-Controlling Interests

Details of non-controlling interests in the equity of consolidated subsidiaries as of June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
PT Lippo Cikarang Tbk	1,848,905,912,944	1,657,872,859,101
PT Siloam International Hospitals Tbk	526,522,379,391	499,034,941,181
PT Gowa Makassar Tourism Development Tbk	257,885,446,190	236,778,714,915
PT Darma Sarana Nusa Pratama	33,633,929,431	29,941,938,144
PT Metropolitan Permaisemesta	24,739,669,498	22,858,346,961
PT Pelangi Cahaya Intan Makmur	19,970,059,928	19,616,382,887
Others	64,834,716,332	56,520,498,702
Total	**2,776,492,113,714**	**2,522,623,681,891**

37. Revenues

	2016 (6 Months) Rp	2015 (6 Months) Rp
Urban Development:		
Residential Houses and Shophouses	702,707,707,474	607,833,770,383
Land Lots	234,431,860,878	302,189,035,504
Memorial Park	90,137,164,340	105,108,114,580
Asset Enhancements	59,761,152,620	51,998,689,666
Others	75,987,213,065	8,058,806,792
Subtotal	1,163,025,098,377	1,075,188,416,925
Large Scale Integrated Development:		
Apartments	596,757,033,028	964,264,519,228
Asset Enhancements	13,002,090,000	13,002,090,000
Subtotal	609,759,123,028	977,266,609,228
Retail Malls:		
Asset Enhancements	163,848,609,480	110,775,078,738
Subtotal	163,848,609,480	110,775,078,738

	2016 (6 Months) Rp	2015 (6 Months) Rp
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	565,969,829,688	457,208,385,524
Drugs and Medical Supplies	550,991,064,526	425,989,720,836
Ward Fees	236,968,667,059	179,941,881,440
Operating Theater	109,046,752,889	72,971,757,584
Administration Fees and Others	56,563,999,185	52,264,053,449
Delivery Fees	62,875,274,226	43,376,989,246
Outpatient Department		
Medical Support Services and Professional Fees	579,630,095,579	455,041,785,285
Drugs and Medical Supplies	299,662,446,631	230,523,932,854
Registration Fees	41,497,715,463	27,883,626,388
Others	51,615,315,247	41,757,710,866
Subtotal	2,554,821,160,493	1,986,959,843,472
Hospitality and Infrastructure:		
Town Management	157,307,862,802	122,850,825,832
Hotels and Restaurants	149,039,602,968	138,435,492,279
Water and Sewage Treatment	67,610,725,450	64,281,618,800
Recreation and Sports	33,512,227,262	34,926,348,693
Others	22,256,241,434	12,866,253,697
Subtotal	429,726,659,916	373,360,539,301
Property and Portfolio Management:		
Management Fees	187,670,997,430	157,454,597,584
Total	**5,108,851,648,724**	**4,681,005,085,248**

Management fees revenue represents revenue from management services of shopping centers and manager of REIT. Assets enhancement revenue represents revenue from leasing of the Group’s assets. There are no sales above 10% of net revenues for respective periods.

38. Cost of Revenues

	2016 (6 Months) Rp	2015 (6 Months) Rp
Urban Development:		
Residential Houses and Shophouses	290,194,795,110	235,280,078,976
Land Lots	150,789,473,110	76,351,065,909
Memorial Park	13,981,089,535	18,488,608,484
Asset Enhancements	4,169,868,955	689,272,230
Others	25,167,824,407	6,167,565,651
Subtotal	484,303,051,117	336,976,591,250
Large Scale Integrated Development:		
Apartments	325,895,665,199	535,695,325,323
Asset Enhancements	834,515,602	834,515,602
Subtotal	326,730,180,801	536,529,840,925

	2016 (6 Months) Rp	**2015 (6 Months) Rp**
Retail Malls:		
Asset Enhancements	3,110,036,206	3,738,734,483
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	472,094,297,127	409,847,326,594
Drugs and Medical Supplies	307,108,141,684	253,934,574,756
Depreciation (see Note 14)	77,782,598,295	72,244,798,135
Clinical Supplies	44,177,423,070	31,603,427,703
Food and Beverages	39,103,912,557	32,417,947,080
Referral Fees	25,162,137,416	20,814,590,531
Others	130,081,180,524	40,765,866,281
Departemen Rawat Jalan		
Professional Fees, Salaries and Employee Benefits	313,852,431,215	264,668,377,208
Drugs and Medical Supplies	227,871,667,689	188,336,441,283
Depreciation (see Note 14)	46,273,633,502	42,702,820,159
Referral Fees	32,593,120,016	25,399,161,828
Clinical Supplies	17,880,681,599	14,786,861,435
Others	54,931,013,195	23,361,923,587
Subtotal	1,788,912,237,889	1,420,884,116,580
Hospitality and Infrastructure:		
Town Management	100,047,086,891	71,039,497,116
Hotels and Restaurants	60,801,810,748	51,528,357,345
Water and Sewage Treatment	30,046,687,259	46,183,872,529
Recreation and Sports	10,433,191,733	11,067,050,730
Others	10,810,548,779	6,680,245,493
Subtotal	212,139,325,410	186,499,023,213
Property and Portfolio Management:		
Management Fees	7,070,915,924	8,590,091,801
Total	**2,822,265,747,347**	**2,493,218,398,252**

There are no purchases above 10% of net revenues for respective periods.

39. Operating Expenses

	2016 (6 Months) Rp	**2015 (6 Months) Rp**
Selling Expenses		
Salaries and Employee Benefits	97,590,067,966	70,659,955,318
Advertising and Marketing	69,481,538,828	93,435,397,459
Repairs and Maintenance	17,907,538,084	15,454,600,987
Electricity and Water	17,852,248,079	3,345,181,460
Depreciation (see Notes 13 and 14)	14,148,737,367	9,023,765,487
Management Fees	13,974,477,317	26,689,211,802
Transportation and Accommodation	6,985,667,945	10,100,543,649
Rental - Net	6,325,080,615	2,618,064,596
Office Supplies	4,348,956,666	2,326,047,974
Others	26,783,416,156	9,070,292,893
Total	275,397,729,023	242,723,061,625

	2016 (6 Months) Rp	2015 (6 Months) Rp
General and Administrative Expenses		
Salaries and Employee Benefits	435,248,171,882	314,685,551,758
Rental - Net	144,635,179,469	21,025,213,668
Depreciation (see Note 14)	94,053,033,031	92,374,735,015
Electricity and Water	77,894,442,233	70,501,553,658
Office Expense	70,510,369,796	59,892,512,688
Professional Fees	49,980,563,248	48,563,235,632
Transportation and Accommodation	44,878,185,440	46,886,553,679
Repairs and Maintenance	29,433,469,477	23,346,371,791
Office Supplies	27,375,186,021	20,566,223,359
Training and Seminar	16,018,057,971	12,906,982,002
Communication	15,939,445,086	12,841,155,138
Insurance	12,382,463,745	9,850,838,815
Membership and Subscription Fees	5,501,351,120	4,157,561,495
Tax Expense	1,731,681,540	49,051,236,893
Others	24,092,210,283	17,948,339,172
Total	1,049,673,810,342	804,598,064,763
Total Operating Expenses	**1,325,071,539,365**	**1,047,321,126,388**

40. Financial Income (Charges) - Net

	2016 (6 Months) Rp	2015 (6 Months) Rp
Interest Income	38,218,778,612	47,043,107,884
Financial Expenses	(121,111,827,746)	(98,815,177,369)
Interest Expenses	(75,641,739,856)	(2,302,149,987)
Financial Charges - Net	**(158,534,788,990)**	**(54,074,219,472)**

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 3 and 9), Financial charges represent hedging cost, bank charges, using electronic data capture (EDC) machine and interest subsidy on mortgages for houses and apartments (KPR and KPA), while interest expense represents interest on loans and leasing (see Notes 21, 23 and 24).

41. Other Income (Expenses) - Net

	2016 (6 Months) Rp	2015 (6 Months) Rp
Other Income		
Gain on Foreign Exchange - Net	142,927,956,301	22,387,172,206
Dividend Income	125,696,453,675	99,191,613,595
Discount on Business Combination	30,910,527	6,634,893,981
Penalty Income - Net	--	7,162,279,936
Others	--	50,113,176,879
Total Other Income	**268,655,320,503**	**185,489,136,597**

	2016 (6 Months) Rp	2015 (6 Months) Rp
Other Expenses		
Amortization Expense	31,972,024,165	35,281,115,303
Penalty Expenses - Net	28,580,089,862	--
Others	46,506,214,786	--
Total Other Expenses	**107,058,328,813**	**35,281,115,303**

Dividend Income
Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. and PT Menara Tirta Indah, all subsidiaries.

42. Basic Earnings Per Share

The calculation of basic earnings per share is as follows:

	2016 (6 Months)	2015 (6 Months)
Profit for the Period Attributable to Owner of the Parent (Rupiah)	495,902,941,837	701,451,036,211
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	21.78	30.80

43. Commitments

a. Operational and Management Agreements

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.

- On April 9, 2006, PT Lippo Malls Indonesia (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp27,000,000,000 and Rp23,000,000,000, respectively.

- LMIRT Management Ltd (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as a trustee of Lippo-Malls Indonesia Retail Trust (LMIR Trust) effective from the listing date of LMIR Trust (November 14, 2007). Based on the agreement, LMIR TM will provide management services to LMIR Trust, among others, investment strategic and investment as well as divestment recommendations. For such services, LMIR TM shall receive certain compensation as stated in the agreement.

- Group entered into several agreements with contractors for the development of their projects. As of June 30, 2016, the outstanding commitments amounted to Rp12,238,622,308,250 with commitments not yet realized of Rp1,950,184,382,441. In 2015, total outstanding commitments amounted to Rp10,967,368,997,703 with commitments not yet realized amounted to Rp1,664,574,315,151.

b. Rental Agreements

- Based on Deeds of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono,S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which are owned 100% directly by Lovage International Pte. Ltd., Henley Investments Pte. Ltd., Primerich Investment Pte. Ltd. and Got Pte. Ltd., whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement.

  Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference was recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp83,263,894,940 and Rp82,761,744,006, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No. 146/2010, PT East Jakarta Medika (EJM), a subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First REIT at the selling price of SGD33,333,333 and leased back the Property.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from the Company on October 10, 2011, entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist base rent and variable rent. Base rent was determined in the first year and will be adjusted subsequently, while variable rent will be commenced in the second year based on certain precentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subject to 2% penalty plus average lending rate of 3 banks in Singapore.

  As this sale and leaseback transaction met the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp9,235,320,336 and Rp9,726,938,307, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of “Mochtar Riady Comprehensive Cancer Centre” (MRCCC) for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp67,815,269,457 and Rp70,004,706,811, respectively.

- On January 7, 2012, PT Siloam International Hospitals Tbk (SIH) entered into a lease agreement of building of Siloam Hospitals Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years since the grand opening of the hospital and include a rental free years (grace period) for 3 (three) months after the grand opening of the hospital.

Based on the agreement, Siloam Sriwijaya shall pay a rental fee amounted to Rp3,000,000,000 and increase by Rp500,000,000 in every three years, which will be paid in advance for each year, not later than 10 (ten) day of 1 (first) month of lease period.

On October 5, 2012, PM entered into transfer of property ownership agreement with PT Bisma Pratama Karya, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement.

On January 2, 2014, PT RS Siloam Hospitals Sumsel entered into a lease agreement of building of Siloam Hospitals Palembang (Siloam Sriwijaya) with PT Bisma Pratama Karya. This agreement was terminated based on termination agreement on December 2, 2014 due to novation of building. On December 2, 2014, PT RS Siloam Sumsel entered into a lease agreement of Siloam Sriwijaya hospital building with PT Metropolis Propertindo Utama. This agreement is valid for 15 years since the issuance of business license of Siloam Sriwijaya dated November 6, 2013 and will expire in one year. Rental expense will be paid quarterly.

Rental expense for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp3,157,100,790 and Rp2,230,712,857, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of “Hotel Aryaduta and Rumah Sakit Siloam Manado” for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp29,292,892,976 and Rp29,126,594,202, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presence of Maria Josefina Grace Kawi Tandiari S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (the property) to PT Bayutama Sukses (BS), whereby BS is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp467,287,558,000 and the property is leased back.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Sale and lease-back transaction above meets the classification of an operating lease and the transaction price is above its fair value, then the difference was recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp20,519,152,594 and Rp19,937,847,224, respectively.

- Based on Deed of Sale and Purchase Agreement Nos. 25/2013, 26/2013, 27/2013, 28/2013, 29/2013, 30/2013, and 31/2013 which are all dated May 13, 2013, made in the presence of Ambo Enre, S.H., a notary in Badung, PT Buana Mandiri Selaras (BMS), a subsidiary, sold the land and buildings of Siloam Hospitals Bali (the property) to PT Dasa Graha Jaya (DGJ), whereby DGJ is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

  Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, the Company entered into a lease agreement for 15 years. The Company will pay a certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the diffrence was recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp37,847,758,718 and Rp37,655,049,689, respectively.

- Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, The Company entered into a lease agreement with PT Perisai Dunia Sejahtera (PDS), the owner of the land and buildings of "TB Simatupang Siloam Hospitals" for 15 years. The Company will pay a certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp36,108,649,834 and Rp36,001,844,720, respectively.

- In February 2005, PT Diagram Healthcare Indonesia (DHI), a subsidiary, entered into a lease agreement on hospital building of Siloam Hospitals Cinere with PT Anadi Sarana Tatahusada. This agreement is valid for 13 years with total rental amount of Rp12,000,000,000.

  Rental expense for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp461,538,462 and Rp461,538,462, respectively.

- On May 28, 2014, PT Berlian Cahaya Indah, a subsidiary, entered into a lease agreement on building of Siloam Hospitals Purwakarta with PT Metropolis Propertindo Utama. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license of Siloam Purwakarta is dated May 14, 2014 and will expire in one year. Rental expense will be paid quarterly.

  Rental expense for the 6 (six) months periods ended June 30, 2016 and 2015 amounted to Rp4,326,795,980 and Rp187,872,677, respectively.

- On December 20, 2014, PT Krisolis Jaya Mandiri, a subsidiary, entered into a lease agreement on building of Siloam Hospitals Kupang with PT Busa Bahana Niaga. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license Siloam Purwakarta is dated December 1, 2014 an will expire in one year. Rental expense will be paid quarterly.

  Rental expense for the 6 (six) months period ended June 30, 2016 amounted to nil.

c. Master Agreement between PT Siloam International Hospitals Tbk (SIH), a subsidiary, with PT Metropolis Propertindo Utama (MPU)

On April 30, 2013, SIH entered into a preliminary agreement with MPU which include:

- Sale and purchase of shares of Siloam Hospitals Malang, Siloam Hospitals Salemba and Siloam Hospitals Surabaya Sea Master;
- Right to build properties that will be used as Siloam Hospitals Padang, Siloam Hospitals Bangka Belitung, Siloam Hospitals Semarang Srondol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono, Siloam Hospitals Salemba and Siloam Hospitals Lampung;
- Property lease agreement that will be used as Siloam Hospitals Surabaya Sea Master, Siloam Hospitals Pluit and Siloam Hospitals Cempaka Putih; and
- The agreement to offer certain property to be operated as Siloam Hospitals Ambon, Siloam Hospitals Lubuk Linggau, Siloam Hospitals Manado Kairagi, Siloam Hospitals Serang and Siloam Hospitals Pekanbaru.

d. Hedging Transaction Agreements on Bonds denominated in U.S. Dollar

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Morgan Stanley & Co International Plc (MS), amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between

Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 1.26%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD7,861,304 (equivalent Rp103,611,985,451).

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Deutsche Bank AG (DB), Singapore branch, amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.26%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD7,175,856 (equivalent Rp94,577,781,675).

- On June 5, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with J.P Morgan (S.E.A) (JPM) Limited, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.18%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.18%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,679,694 (equivalent Rp48,498,361,120).

- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Nomura International plc (NIP), United Kingdom branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.125%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,200 with an annual premium rate of 1.125%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,833,325 (equivalent Rp50,523,224,954).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP Paribas (BNP), Singapore branch, amounting to USD115,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 21, 2015, the Company replaced the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,205 with an annual premium rate of 0.69%. Premium will be paid every May 16 and November 14. This transaction will due on November 16, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD15,565,394 (equivalent Rp205,151,892,701).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 0.69%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD17,318,953 (equivalent Rp228,263,801,866).

- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD 21,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.685%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.685%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD3,163,073 (equivalent Rp41,689,300,639).

- On January 15, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD97,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.525%. On April 21, 2015, the Company replaced the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.525%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD15,178,339 (equivalent Rp200,050,504,406).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom branch, amounting to USD 50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.440%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,200 with an annual premium rate of 2.27%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD10,034,850 (equivalent Rp132,259,320,667).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Paris branch, amounting to USD30,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.075%. On April 21, 2015, the Company replaced the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,205 with an annual premium rate of 1.075%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD3,637,418 (equivalent Rp47,941,165,598).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.429%. On April 24, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.429%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,522,007 (equivalent Rp46,420,056,264).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.450%. On April 24, 2015, the Company replaced the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.450%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,467,605 (equivalent Rp45,703,035,726).

- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,058,473 (equivalent Rp40,310,671,134).

- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD100,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate between 0.80%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD7,130,191 (equivalent Rp93,975,911,626).

- On September 27, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. Premium will be paid every

May 16 and November 16. This transaction will due on May 16, 2019. As of June 30, 2016, the fair value of this transaction amounted to USD3,045,807 (equivalent Rp40,143,739,017).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD3,308,658 (equivalent Rp43,608,115,455).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD63,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD4,129,759 (equivalent Rp54,430,227,755).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, British branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD3,665,460 (equivalent Rp48,310,756,279).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices option of Rp11,500 - Rp12,500 with an annual premium rate between 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD6,305,157 (equivalent Rp83,101,965,985).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, British branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of June 30, 2016, the fair value of this transaction amounted to USD2,901,077 (ekuivalen Rp38,236,197,551).

- On April 24, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, British branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.20%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of June 30, 2016, the fair value of this transaction amounted to USD2,858,932 (equivalent Rp37,680,722,349).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.14%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of June 30, 2016, the fair value of this transaction amounted to USD3,854,754 (equivalent Rp50,805,657,094).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.205%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of June 30, 2016, the fair value of this transaction amounted to USD2,621,293 (equivalent Rp34,548,635,648).

- On June 6, 2016, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD100,000,000 for strike prices of Rp13,500 – Rp14,000 with an annual premium rate 0.490%. Premium will be paid every April 11 and October 11. This transaction will due on June 30, 2022. As of June 30, 2016, the fair value of this transaction amounted to USD1,399,421 (equivalent Rp18,444,367,935).

- On June 6, 2016, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, British branch, amounting to USD50,000,000 for strike prices of Rp13,500 – Rp14,000 with annual premium rate 0.480%. Premium will be paid every April 11 and October 11. This transaction will be due on April 11, 2022. As of June 30, 2016, the fair value of this transaction amounted to USD337,593 (equivalent Rp4,449,480,424).

e. Sale Purchases and Swap Agreement

On October 2015, PT Saputra Karya (SK), a subsidiary, and PT Tata Prima Indah (TPI), a subsidiary of LMIR Trust, entered into an agreement of sales, purchase, construct and swap of land and property of Siloam Hospitals Surabaya (existing SHS) located in Gubeng Surabaya. As agreed in the agreement, SK will buy a parcel of land owned by TPI, located next to the land owned by SK in Gubeng, Surabaya, at the price of Rp79,150,000,000. Upon the purchasing of TPI's land, SK has the obligation to construct the new Siloam Hospitals Surabaya (new SHS) on its land (exsisting land and the land purchased from TPI). After the new SHS contruction completed, SK will sell the new SHS to TPI with at the price of Rp873.190.000.000. After the new SHS transferred process completed, TPI will sell back the existing SHS to SK at the price of Rp265,450,000,000.

f. Joint Operation Agreement

PT Megakreasi Cikarang Damai, a subsidiary, entered the joint operation agreement for managing Delta Silicon 8 with PT Cikarang Hijau Indah as the owner of the 227 hectare of land. Based on the Deed No.26 dated July 24, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H., a notary in Tangerang, the joint operation includes planning, development, construction, marketing, selling, rental and managing of land area of the joint operation as the industrial area including its infrastructures and facilities. Term of the agreement is two (2) years and will be automatically extended if sales have been reached 50% of the total available land. Until June 30, 2016 and December 31, 2015, the selling of land had reached 61 hectares and 60 hectares, respectively.

g. Sales & Purchase Agreement

- On January 8, 2016, PT Pamor Paramita Utama, a subsidiary, entered into conditional sales and purchase agreement Lippo Mall Kuta (Bali) to Lippo Mall Indonesia Retail Trust (LMIRT), the transfer price amounted to Rp800 billion. As of the date of interim consolidated financial statements, there has been no payment from LMIRT.

- On February 3, 2016, PT Mulia Citra Abadi, a subsidiary, entered into conditional sale and purchase agreement property of Siloam Hospital Yogyakarta and Lippo Plaza Yogyakarta to First REIT and LMIRT, together with the transfer price amounted to Rp900 bilion. As of the date of interim consolidated financial statements, there has been no payment from First REIT and LMIRT.

h. Loan Agreement

- Based on Deed of Credit Agreement No. 9 dated July 15, 2016 , the Company obtained Working Capital Loan from PT Bank Mega Tbk with a maximum amount of Rp800.000.000.000 bears interest rate of 14% per annum. This loan will mature on July 15 , 2017. This credit facility is secured by 15 (fifteen) parcels of land covering an area of 20.6 hectares. Until the completion date of the interim consolidated financial statements, the Company has not yet used the facility.

- Based on Deed of Credit Agreement dated July 18, 2016, the Company obtained loan facilities arranged by Deutsche Bank AG Singapore Branch and UBS AG Singapore Branch, Working Capital Loan with a maximum amount of USD50,000,000 bears interest rate of Libor + 5.25 % . This loan will mature on July 15, 2017 with a maximum of two times extension and Term Loan facility with maximum amount of USD65,000,000 bears interest rate of Libor + 5.25 %. This loan will mature on April 30, 2019. These facilities are secured by land and building located in Puri Kembangan (Lippo Mall Puri). Until the date of the interim consolidated financial statements being authorized, the Company, has drawdawn the term loan facility and working capital facility amounting to USD50,000,000 and USD50,000,000, respectively.

44. Operating Segment

An operating segment is a component of the entity that engages in business activity whose operating results are regularly reviewed by management, and its financial information can be presented separately.

The Company has six (6) operating segments i.e.,:

(i) Urban development, which comprises, among others, activities in real estate in urban development and development of facilities and its infrastructure.
(ii) Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
(iii) Retail malls, which comprises among others, activities in real estate in development and management of shopping center.
(iv) Healthcare, which comprises activities in health services.
(v) Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
(vi) Property and portfolio management, which comprises, among others, activities in management services.

The following are Group's operating segment as of June 30, 2016 and 2015:

	2016 (6 Months)							(In Thousand Rupiah)
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenues	1,191,508,712	609,759,123	163,848,609	2,554,821,160	429,726,660	187,670,997	(28,483,612)	5,108,851,649
Tax Expense - Final	(68,942,269)	(31,934,209)	(15,044,926)	--	--	--	--	(115,921,404)
Revenues - Net	1,122,566,443	577,824,914	148,803,683	2,554,821,160	429,726,660	187,670,997	(28,483,612)	4,992,930,245
Gross Profit	638,263,390	251,094,733	145,693,647	765,908,923	217,587,335	180,600,082	(28,483,612)	2,170,664,498
Selling Expenses	(127,056,607)	(29,822,478)	(44,124,955)	(30,061,367)	(5,537,309)	(42,289,506)	3,494,493	(275,397,729)
General and Administrative Expense	(298,330,498)	(27,637,044)	(11,177,201)	(577,553,274)	(89,271,993)	(70,692,919)	24,989,119	(1,049,673,810)
Interest Income	35,736,920	11,345,841	540,658	1,583,228	694,586	815,339	(12,497,793)	38,218,779
Financial Charges	(92,772,838)	(71,995,676)	(15,147,501)	(27,974,855)	(1,332,099)	(28,393)	12,497,793	(196,753,569)
Other Income (Expenses) - Net	217,678,124	(25,653,714)	(22,089,342)	(23,300,993)	(11,947,800)	26,910,716	--	161,596,991
Share in the profit of Associates and Joint Venture	4,474,713	--	--	--	--	--	--	4,474,713
Profit Before Tax	**377,993,204**	**107,331,662**	**53,695,306**	**108,601,662**	**110,192,720**	**95,315,319**	**--**	**853,129,873**
Tax Benefit (Expense)								
Current	(69,763,918)	--	--	(48,381,397)	(13,948,737)	(15,106,163)	--	(147,200,215)
Deferred	5,410,674	--	--	7,908,425	1,848,742	(3,601,002)	--	11,566,839
Profit for the Period	**313,639,960**	**107,331,662**	**53,695,306**	**68,128,690**	**98,092,725**	**76,608,154**	**--**	**717,496,497**
Profit for the period attributable to:								
Owner of the Parent	107,820,307	94,352,464	53,084,201	66,667,106	98,092,725	75,886,139	--	495,902,942
Non-Controlling Interests	205,819,653	12,979,198	611,105	1,461,584	--	722,015	--	221,593,555
	313,639,960	**107,331,662**	**53,695,306**	**68,128,690**	**98,092,725**	**76,608,154**	**--**	**717,496,497**
Segment Assets	26,513,989,286	8,052,719,317	2,411,465,158	3,265,465,764	717,374,195	1,642,146,678	--	42,603,160,398
Investment in Associates and Joint Venture	385,245,446	--	--	--	--	--	--	385,245,446
Total Segment Assets	**26,899,234,732**	**8,052,719,317**	**2,411,465,158**	**3,265,465,764**	**717,374,195**	**1,642,146,678**	**--**	**42,988,405,844**
Segment Liabilities	**16,245,124,648**	**4,539,400,295**	**810,260,644**	**1,087,959,923**	**123,821,885**	**235,843,598**	**--**	**23,042,410,993**
Capital Expenditures	109,909,917	31,640,066	1,826,334	160,600,958	8,442,071	3,730,900	--	316,150,246
Depreciation	27,847,676	3,185,903	4,140,814	176,718,982	22,836,404	2,687,472	--	237,417,251
Non-Cash Expenses Other than Depreciation	42,164,918	896,014	24,148	15,038,937	3,196,728	2,458,100	--	63,778,845

	2015 (6 Months)							(In Thousand Rupiah)
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenues	1,109,022,711	977,266,609	110,775,079	1,986,959,843	373,360,539	157,454,597	(33,834,293)	4,681,005,085
Tax Expense - Final	(61,082,077)	(47,029,561)	(11,602,099)	--	--	--	--	(119,713,737)
Revenues - Net	1,047,940,634	930,237,048	99,172,980	1,986,959,843	373,360,539	173,884,849	(33,834,293)	4,577,721,600
Gross Profit	710,964,042	393,707,207	95,434,245	566,075,727	186,861,516	148,864,506	(33,834,293)	2,068,072,950
Selling Expenses	(129,384,593)	(23,626,926)	(39,379,349)	(16,105,405)	(5,678,527)	(37,393,436)	8,845,174	(242,723,062)
General and Administrative Expense	(215,801,067)	(52,560,062)	(14,162,852)	(413,407,417)	(79,404,891)	(54,250,895)	24,989,119	(804,598,065)
Interest Income	54,461,964	5,625,185	620,294	3,097,930	461,754	156,584	(17,380,603)	47,043,108
Financial Charges	(87,685,642)	(1,025,499)	(204,178)	(27,996,935)	(1,548,554)	(37,122)	17,380,603	(101,117,327)
Other Income (Expenses) - Net	109,847,891	51,766,683	(7,345,625)	(16,169,110)	(11,742,853)	23,851,036	--	150,208,022
Share in the profit of Associates and Joint Venture	5,178,963	--	--	--	--	--	--	5,178,963
Profit Before Tax	**447,581,558**	**373,886,588**	**34,962,535**	**95,494,790**	**88,948,445**	**81,190,673**	**--**	**1,122,064,589**
Tax Benefit (Expense)								
Current	(95,145,242)	(6,790,131)	(3,056)	(9,545,089)	(8,807,905)	(11,438,826)	--	(131,730,249)
Deferred	(8,453,161)	--	--	787,360	2,700,594	81,795	--	(4,883,412)
Profit for the Period	**343,983,155**	**367,096,457**	**34,959,479**	**86,737,061**	**82,841,134**	**69,833,642**	**--**	**985,450,928**
Profit for the period attributable to:								
Owner of the Parent	151,103,213	278,041,900	34,594,249	84,228,513	82,841,134	70,642,027	--	701,451,036
Non-Controlling Interests	192,879,942	89,054,557	365,230	2,508,548	--	(808,385)	--	283,999,892
	343,983,155	**367,096,457**	**34,959,479**	**86,737,061**	**82,841,134**	**69,833,642**	**--**	**985,450,928**
Capital Expenditures	22,478,270	44,561,943	7,084,499	159,962,595	16,334,146	9,257,966	--	259,679,419
Depreciation	27,617,016	3,164,057	2,363,873	164,582,407	22,193,859	894,525	--	220,815,737
Non-Cash Expenses Other than Depreciation	52,925,690	378,076	7,124	5,210,299	578,177	1,621,511	--	60,720,877

	2015 (One Year)							(In Thousand Rupiah)
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Segment Assets	25,224,137,495	8,179,388,617	2,322,473,714	2,986,270,148	687,780,866	1,541,236,604	--	40,941,287,444
Investment in Associates and Joint Venture	385,270,734	--	--	--	--	--	--	385,270,734
Total Segment Assets	**25,609,408,229**	**8,179,388,617**	**2,322,473,714**	**2,986,270,148**	**687,780,866**	**1,541,236,604**	**--**	**41,326,558,178**
Segment Liabilities	**15,752,674,843**	**4,177,183,594**	**777,199,726**	**1,431,838,295**	**67,878,739**	**203,018,423**	**--**	**22,409,793,620**

45. Monetary Asset and Liabilities Denominated in Foreign Currencies

	June 30, 2016					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	15,226,086	9,739	13,844,894	268,083	12,447	340,009,383,131
Trade Accounts Receivable	2,154,471	--	3,708,964	--	--	64,636,215,024
Other Current Financial Assets	781,600	--	11,951,003	--	--	127,074,738,313
Other Non-Current Financial Assets	--	--	5,257,608	--	--	51,372,087,768
Total Assets	18,162,157	9,739	34,762,469	268,083	12,447	583,092,424,236
Liabilities						
Trade Accounts Payable	1,982,732	--	4,704,692	59,800	--	72,978,083,092
Accrued Expenses	9,437,728	--	638,636	--	--	130,629,367,396
Bonds Payable	803,306,000	--	--	--	--	10,587,573,080,000
Total Liabilities	814,726,460	--	5,343,328	59,800	--	10,791,180,530,488
Net Assets (Liabilities)	**(796,564,303)**	**9,739**	**29,419,141**	**208,283**	**12,447**	**(10,208,088,106,252)**

	December 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	16,639,257	113,800	20,491,726	206,685	356,340	437,361,493,449
Trade Accounts Receivable	4,060,235	--	2,122,398	--	--	76,706,847,979
Other Current Financial Assets	781,600	--	13,303,158	--	--	140,503,793,258
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,442,414,274
Total Assets	21,481,092	113,800	40,987,680	206,685	356,340	704,014,548,960
Liabilities						
Trade Accounts Payable	960,537	--	2,930,771	32,535	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,535	--	11,271,141,651,217
Net Assets (Liabilities)	**(792,204,882)**	**113,800**	**36,285,331**	**174,150**	**356,340**	**(10,567,127,102,257)**

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 43.d).

46. Contingencies

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to PT Siloam International Hospitals (SIH), a subsidiary as defendant regarding the termination of plaintiff's work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 however, the plaintiff's claim is granted through the decision of the High Court of Jakarta No.626/PDT/2009/PT.DKI date June 29, 2010.

  On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court (SC). Then based on the contents of the Decision Notice Relaas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000. The decision of the Supreme Court mentioned above have been legally binding.

  Responding to the verdict, on September 13, 2015, SIH filed a judicial review to the Supreme Court. As of the report date, the Company has not received further notice from the Supreme Court.

- On April 6, 2016, Lay Meliana Fransisca, the plaintiff, file a lawsuit No. 10/G/2016/PTUN.SRG to PT Lippo Karawaci Tbk in connection with the cancellation of Building Rights (HGB) No.6957/Bencongan in the name of PT Lippo Karawaci Tbk. Until the completion date of the interim consolidated financial statements, the case is still under examination in the District Court of Serang.

- On July 9, 2009, Alfonsus Budi Susanto, SE, MA, the plaintiff, filed a lawsuit to SIH, a subsidiary as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta No. 548/PDT/2010/PT.DKI.

  On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Dated July 11, 2013 reject the appeal filed Plaintiff and strengthen the North Jakarta District Court and the Jakarta High Court earlier. Currently, the decision of Supreme Court has been legally binding.

  Management believes that the Cassation Decision was legally binding and the Plaintiff can not file other legal remedies due a period of time to file an Reconsideration is 180 days from the date decision of cassation based on the the laws in force.

- On October 1, 2012, Wahju Indrawan, the plaintiff, filed a lawsuit No. 71/Pdt.G/2012/PN.JBI to PT Golden First Atlanta (GFA), a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff's spouse.

  All claims were declined through decision of District Court Jambi No. 71/Pdt.G/2012/PN.JBI dated July 23, 2013 and was upheld on December 18, 2013, through the decision of the High Court of Jambi No. 63/PDT/2013/PT.JBI.

  On February 5, 2014, the plaintiff filed appeal to the Supreme Court. Until completion date of the interim consolidated financial statements, there has been no remained verdict.

  On November 28, 2014, the Supreme Court through Decision No. 1361 K / Pdt / 2014 rejected the appeal filed by the Plaintiff and strengthen the District Court and High Court Jambi Jambi earlier. The verdict of Supreme Court metioned above was legally binding.

  Management believes that the Cassation Decision was legally binding and the Plaintiff can not file other legal remedies due a period of time to file an Reconsideration is 180 days from the date decision of cassation based on the the laws in force.

- On August 8, 2014, Drs. Akhmad H. Harris, filed a lawsuit to District Court Tangerang PN 470/ Pdt.G/ 2014/ PN.TNG against SIH with malpractice suffered by the plaintiff.

  The value of lawsuit filed by the plaintiffs include material damages amounting to Rp906,231,000 and non-material losses of Rp500,000,000,000.

  All claims of the plaintiff were declined through decision of District Court Tangerang No.470/Pdt.G/2014/PN.TNG dated August 6, 2015.

  On August 19, 2015, Plaintiffs filed an appeal against the verdict

  On February 16, 2016 the Banten Supreme Court issued a decision in the case with register number 131 / PDT / 2015 / PT.BTN to strengthen the District Court's previous decision.

  On March 29, 2016, Plaintiff filed a cassation to the Supreme Court. Up to the reporting date, the Company has not received further notice from the court.

- On December 16, 2014, dr. Arnold Bobby Soehartono, the plaintiff, filed a lawsuit to the Commercial Court in Surabaya District Court related to the use of plaintiff's portrait by SIH, a subsidiary ("Defendants"). Value of a lawsuit filed by the plaintiffs include compensation for Rp375,229,125 material and non-material losses amounting to Rp8,000,000,000.

  The plaintiff's claim is granted through the decision of the Commercial Court in Surabaya District Court based on decision No. 10/HKI.Hak Cipta/2014/PN.Niaga.Sby dated April 13, 2015 where the defendant was punished to pay the compensation to the plaintiff amounted to Rp200,000,000 and force payment amounted to Rp500,000 every day since the decision remained verdict until execution of the legal case.

  On April 27, 2015, the defendant filed a cassation on that verdict.

  On 13 April 2016, the Supreme Court issued a ruling No. 262K/Pdt.Sus-HKI/2016 which rejected the application of Cassation Defendants and punish the defendant to pay damages to the plaintiff amounted to Rp200,000,000.

  Based on applicable laws, SIH may take further legal action for filling reconsideration which deadline maximum of 180 days from the court's decision that accepted by the parties.

- On February 23, 2016, Drs. H. Akhamad Haris filed a lawsuit against the company to the Tangerang District Court with No. Case 130 / Pdt.G / 2016 / PN.TNG related to the alleged leak of medical information by the company to dr. Marius Widjajarta, one of the speakers in the event on TV ONE aired on April 17, 2015.

  The value of a lawsuit filed by the plaintiff is immaterial value of Rp5,000.000.000 without material value.

  At the trial held on August 22, 2016, the Tangerang District Court has issued a ruling stating that the Plaintiff's claim rejected entirely.

- Based on case No. 145/Pdt.G/2014/PN.Mks which was filed by Tenri Sompa, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is Defendant of 39,900 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 207/Pdt.G/2010/PN.Mks Tahun 2010, GMTD is an Intervention Plaintiff of 60,000 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar controlled by Najmiah Muin dan Fatimah Kalla. Until the completion date of the interim consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 265/Pdt.G/2011/PN.Mks, GMTD is the Plaintiff of 68,929 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Jhon Tandiary. Until the completion date of the interim consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 243/Pdt.G/2011/PN.Mks, which was filed by Nurhayana Pamusereng, GMTD is Defendant of 81,200 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.

- Based on case letter No. 163/Pdt.G/2013/PN.Mks, which was filed by Walfiat Morra, GMTD is the Defendant and Reconvention Plaintiff of 59,996 sqm land area located in Maccini Sombala Village, Tamalate Distric, Makassar City. Until the completion date of the interim consolidated financial statements, the case is still under appeal at the high court.

- Based on case No. 228/Pdt.G/2013/PN.Mks, which was filed by H. Lahaba Dg. Gassing, GMTD is Defendant of 3,000 sqm land area, located in the Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on case No. 342/Pdt.G/2014, GMTD is Plaintiff of 30,376 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on case No. 324/Pdt.G/2014/PN.Mks, which was filed by Bunga Djarung, GMTD is the Defendant VI of 92,000 sqm land area, located in ORK Pattukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on case No. 318/Pdt.G/2013/PN.Mks, which was filed by Siti Aminah, GMTD is the Co-Defendant I of 360 sqm land area located in Tanjung Merdeka Village, Tamalate District, Makassar City. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on cases No. 58/Pdt.G/2014/PN.Mks and No. 59/Pdt.G/2014/PN.Mks, which was filed by Basri Kilat, GMTD is the Defendant II of 44,278 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on the cases No. 144/Pdt.G/2014/PN.Mks and No. 145/Pdt.G/2014/PN.Mks, which was filed by Baso Seni, GMTD is Defendant I of 36,600 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the interim consolidated financial statements, the case is still in the process of cassation to the Supreme Court of the Republic of Indonesia.

- Based on the case No. 144/Pdt.G/2015/PN.Mks, which was filed by Syamsir Arief, GMTD is Defendant II of a default lawsuit. Until the completion date of the interim consolidated financial statements, the case is still under examination in the District Court of Makassar.

- Based on the case No. 04/G/2015/PTUN.Mks, GMTD is Plaintiff of 21,530 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Sainal Lonard. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

- Based on the case No. 17/G/2015/PTUN.Mks, which was filed by Koperasi Unit Desa Mina, GMTD is Intervention Defendant II of 38,440 sqm land area located in Mattoangin Village, Mariso District. Until the completion date of the interim consolidated financial statements, the case is still under appeal.

47. Financial Instruments and Financial Risk Management

The main financial risks faced by the Group are credit risk, foreign exchange rate risk, liquidity risk, interest risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

The Directors have reviewed the financial risk management policy regularly.

(i) Credit Risk

Credit risk is the risk that the Group will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Group’s financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other current financial assets, due from related parties, other non-current financial assets and investment available for sale. The maximum total credit risks exposure is equal to the amount of the respective accounts.

Total maximum credit risk exposure of financial assets on June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016		December 31, 2015	
	Carring Value Rp	Maximum Exposure Rp	Carring Value Rp	Maximum Exposure Rp
Financial Assets				
Fair value through profit or loss				
Derivative	1,832,736,879,319	1,832,736,879,319	2,015,953,790,020	2,015,953,790,020
Other Current Financial Assets	83,986,414,526	83,986,414,526	49,008,885,877	49,008,885,877
Loans and Receivables				
Cash and Cash Equivalents	1,773,352,379,166	1,773,352,379,166	1,839,366,003,277	1,839,366,003,277
Trade Accounts Receivable	1,794,908,854,745	1,794,908,854,745	1,434,347,507,641	1,434,347,507,641
Other Current Financial Assets	513,756,283,351	513,756,283,351	863,126,238,670	863,126,238,670
Due from Related Parties Non-trade	31,677,975,932	31,677,975,932	37,093,485,060	37,093,485,060
Other Non-Current Financial Assets	702,885,137,377	702,885,137,377	685,854,507,978	685,854,507,978
Available-for-Sale				
Available-for-Sale Investment	6,344,718,054,858	6,344,718,054,858	5,869,063,440,408	5,869,063,440,408
Investment in Shares	77,574,195,411	77,574,195,411	58,329,023,011	58,329,023,011
held-to-maturity financial assets				
Investments in Bond	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Total Financial Assets	**13,165,596,174,685**	**13,165,596,174,685**	**12,862,142,881,942**	**12,862,142,881,942**

Group manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing global and domestic company.

The following table analyzes assets over due but not impaired and not yet due but not impaired and financial assets that are individually to be impaired:

	June 30, 2016						
	Individually Impaired	Overdue But not Impaired			Not Yet Due and Not Impared		Total
		0 - 90 Day	91 - 180 Day	> 181 Day	Global Company	Domestic Company	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets							
Fair value through profit or loss							
Derivative	--	--	--	--	1,832,736,879,319	--	1,832,736,879,319
Other Current Financial Assets	--	--	--	--	--	83,986,414,526	83,986,414,526
Loans and Receivables							
Cash and Cash Equivalents	--	--	--	--	248,167,845,985	1,525,184,533,181	1,773,352,379,166
Trade Accounts Receivable	93,266,521,145	279,406,176,774	67,255,218,698	200,056,062,090	81,243,658,513	1,166,947,738,670	1,888,175,375,890
Other Current Financial Assets	12,011,542,377	--	--	--	112,329,041,912	389,415,699,062	513,756,283,351
Due from Related Parties Non-trade	15,333,752,676	--	--	--	--	31,677,975,932	47,011,728,608
Other Non-Current Financial Assets	--	--	--	-- --	27,513,342,044	675,371,795,333	702,885,137,377
Available-for-Sale							
Available-for-Sale Investment	--	--	--	--	6,344,718,054,858	--	6,344,718,054,858
Investment in Shares	--	--	--	--	--	77,574,195,411	77,574,195,411
Held-to-maturity Financial Assets							
Investment in Bond	--	--	--	--	--	10,000,000,000	10,000,000,000
Total	**120,611,816,198**	**279,406,176,774**	**67,255,218,698**	**200,056,062,090**	**8,646,708,822,631**	**3,960,158,352,115**	**13,274,196,448,506**

	December 31, 2015						
	Individually Impaired	Overdue But not Impaired			Not Yet Due and Not Impared		Total
		0 - 90 Day	91 - 180 Day	> 181 Day	Global Company	Domestic Company	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets							
Fair value through profit or loss							
Derivative	--	--	--	--	2,015,953,790,020	--	2,015,953,790,020
Other Current Financial Assets	--	--	--	--	--	49,008,885,877	49,008,885,877
Loans and Receivables							
Cash and Cash Equivalents	--	--	--	--	365,151,660,796	1,474,214,342,481	1,839,366,003,277
Trade Accounts Receivable	91,468,709,993	223,118,214,459	53,706,272,647	161,665,951,150	49,932,275,382	945,924,794,004	1,525,816,217,634
Other Current Financial Assets	9,251,227,122	--	--	--	169,117,519,325	694,008,719,345	872,377,465,792
Due from Related Parties Non-trade	15,333,752,676	--	--	--	--	37,342,484,060	52,676,236,736
Other Non-Current Financial Assets	--	--	--	--	26,425,780,434	659,428,727,544	685,854,507,978
Available-for-Sale							
Available-for-Sale Investment	--	--	--	--	5,495,636,446,195	373,426,994,213	5,869,063,440,408
Investment in Shares	--	--	--	--	--	58,329,023,011	58,329,023,011
Held-to-maturity Financial Assets							
Investment in Bond	--	--	--	--	--	10,000,000,000	10,000,000,000
Total	**116,053,689,791**	**223,118,214,459**	**53,706,272,647**	**161,665,951,150**	**8,122,217,472,152**	**4,301,683,970,535**	**12,978,445,570,733**

The Group has provided allowance for impairment in value on due trade accounts receivable and other accounts receivable (see Notes 4 and 6).

Not yet due financial assets which have indication of credit risk are mainly from cash and cash equivalents and trade accounts receivable.

Management is in the opinion that there is no significant credit risk on placements in banks, due to fund placements only to reputable and creditworthy banks.

Management is in the opinion that not yet due accounts receivable have no significant credit risk, because receivables from selling units of property are secured by the related properties, where as the risks exposure are lower than the security, while accounts receivable non-property arisen from customers who has good track record.

(ii) Liquidity Risk

Liquidity risk is a risk when the cash flow position of the Group indicates that the short-tem revenue is not enough to cover the short-term expenditure.

The Group manage this liquidity risk by maintaining an adequate level of cash and cash equivalents to cover Group’s commitment in normal operation and regularly evaluates the projected and actual cash flow, as well as maturity date schedule of their financial assets and liabilities.

The following table analyzes the breakdown of financial liabilities based on maturity:

	June 30, 2016				
	Will Due In			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	1,190,985,363,736	--	--	--	1,190,985,363,736
Accrued Expenses	1,067,877,807,000	--	--	--	1,067,877,807,000
Short-Term Employment Benefits Liability	11,552,971,427	--	--	--	11,552,971,427
Other Current Financial Liabilities	--	--	--	519,178,396,390	519,178,396,390
Short-Term Bank Loans	1,612,913,618,071	--	--	--	1,612,913,618,071
Long-Term Bank Loans	59,369,236,029	489,692,151,272	--	--	549,061,387,301
Finance Lease Obligation	4,651,669,212	24,466,180,727	--	--	29,117,849,939
Due to Related Parties Non-trade	--	--	--	2,425,352,150	2,425,352,150
Bonds Payable	--	3,283,859,232,204	7,127,312,169,344	--	10,411,171,401,548
Other Long-Term Financial Liabilities	--	--	--	107,165,670,567	107,165,670,567
Total	**3,947,350,665,475**	**3,798,017,564,203**	**7,127,312,169,344**	**628,769,419,107**	**15,501,449,818,129**

	December 31, 2015				
	Will Due In			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	782,916,296,824	--	--	--	782,916,296,824
Accrued Expenses	1,006,468,547,643	--	--	--	1,006,468,547,643
Short-Term Employment Benefits Liability	12,171,380,895	--	--	--	12,171,380,895
Other Current Financial Liabilities	--	--	--	339,865,932,700	339,865,932,700
Short-Term Bank Loans	962,173,564,967	--	--	--	962,173,564,967
Long-Term Bank Loans	48,261,246,570	390,275,459,789	81,474,173,648	--	520,010,880,007
Due to Related Parties Non-trade	--	--	--	7,528,997,776	7,528,997,776
Bonds Payable	--	3,664,250,000,000	7,218,809,011,816	--	10,883,059,011,816
Other Long-Term Financial Liabilities	--	--	--	85,551,631,230	85,551,631,230
Total	**2,811,991,036,899**	**4,054,525,459,789**	**7,300,283,185,464**	**432,946,561,706**	**14,599,746,243,858**

(iii) Market Risk

Market risks facing by the Group are mainly currency exchange rate risk, interest rate risk and price risk.

a. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The Group’s financial instrument that potentially contain foreign exchange rate risk are cash and cash equivalents, trade accounts receivable, available for sale financial assets, other current and non current assets, trade accounts payable, accrued expenses and loans.

To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties (see Note 43.d).

The following tables show total financial assets and liabilities in foreign currencies as of June 30, 2016 and December 31, 2015:

	June 30, 2016					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	15,226,086	9,739	13,844,894	268,083	12,447	340,009,383,131
Trade Accounts Receivable	2,154,471	--	3,708,964	--	--	64,636,215,024
Available-for-Sale Financial Assets	--	--	605,398,136	--	--	5,915,345,186,856
Other Current Financial Assets	781,600	--	199,520,021	--	--	1,959,811,613,191
Other Non-Current Financial Assets	--	--	5,257,608	--	--	51,372,087,768
Total Assets	18,162,157	9,739	827,729,623	268,083	12,447	8,331,174,485,970
Liabilities						
Trade Accounts Payable	1,982,732	--	4,704,692	59,800	--	72,978,083,092
Accrued Expenses	9,437,728	--	638,636	--	--	130,629,367,396
Bonds Payable	803,306,000	--	--	--	--	10,587,573,080,000
Total Liabilities	814,726,460	--	5,343,328	59,800	--	10,791,180,530,488
Net Assets (Liabilities)	**(796,564,303)**	**9,739**	**822,386,295**	**208,283**	**12,447**	**(2,460,006,044,518)**

	December 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	16,639,257	113,800	20,491,726	206,685	356,340	437,361,493,449
Trade Accounts Receivable	4,060,235	--	2,122,398	--	--	76,706,444,723
Available-for-Sale Financial Assets	--	--	601,893,492	--	--	5,869,063,440,492
Other Current Financial Assets	143,756,626	--	13,303,158	--	--	2,112,841,749,328
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,441,450,898
Total Assets	164,456,118	113,800	642,881,172	206,685	356,340	8,545,414,578,890
Liabilities						
Trade Accounts Payable	960,537	--	2,930,771	32,525	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,525	--	11,271,141,651,217
Net Assets (Liabilities)	**(649,229,856)**	**113,800**	**638,178,823**	**174,160**	**356,340**	**(2,725,727,072,327)**

Sensitivity analysis
A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp369,137,579,448 (2015: Rp891,251,773,029).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp6,875,569,172 (2015: Rp585,027,898,966).

The above analysis is based on assumption that Rupiah weakened or strengthened against all of the currencies in the same direction and magnitude, but it may not be necessarily true in reality. The analysis is not determine impact of the effectivity of derivative financial instruments of a hedge.

b. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group did not have interest rate risk mainly because it does not have a loan with a floating interest rate.

c. Price Risk

Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Group are exposed to price risk because they own an investment classified as AFS financial assets.

The Group manages this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

Sensitivity analysis
A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain on Changes in Fair Value of Available-for-Sale Financial Assets by Rp63,447,180,549 (2015: Rp58,029,566,526).

Fair Value Estimation
The schedule below presents the carrying amount of the respective categories of financial assets and liabilities:

	June 30, 2016		December 31, 2015	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Fair value through profit or loss				
Derivative	1,832,736,879,319	1,832,736,879,319	2,015,953,790,020	2,015,953,790,020
Other Current Financial Assets	83,986,414,526	83,986,414,526	49,008,885,877	49,008,885,877
Loans and Receivables				
Cash and Cash Equivalents	1,773,352,379,166	1,773,352,379,166	1,839,366,003,277	1,839,366,003,277
Trade Accounts Receivable	1,794,908,854,745	1,794,908,854,745	1,434,347,507,641	1,434,347,507,641
Other Current Financial Assets	513,756,283,351	513,756,283,351	863,126,238,670	863,126,238,670
Due from Related Parties Non-trade	47,011,728,608	47,011,728,608	37,093,485,060	37,093,485,060
Other Non-Current Financial Assets	702,885,137,377	702,885,137,377	685,854,507,978	685,854,507,978
Available-for-Sale				
Available-for-Sale Investment	6,344,718,054,858	6,344,718,054,858	5,869,063,440,408	5,869,063,440,408
Investment in Shares	77,574,195,411	77,574,195,411	58,329,023,011	58,329,023,011
Held-to-maturity financial assets				
Investment in Bond	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Total Financial Assets	**13,180,929,927,361**	**13,180,929,927,361**	**12,862,142,881,942**	**12,862,142,881,942**
Financial Liabilities				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	1,190,985,363,736	1,190,985,363,736	782,916,296,824	782,916,296,824
Accrued Expenses	1,067,877,807,000	1,067,877,807,000	1,006,468,547,643	1,006,468,547,643
Other Current Financial Liabilities	519,178,396,390	519,178,396,390	339,865,932,700	339,865,932,700
Short-Term Employment Benefits Liability	11,552,971,427	11,552,971,427	12,171,380,895	12,171,380,895
Short-Term Bank Loans	1,612,913,618,071	1,612,913,618,071	962,173,564,967	962,173,564,967
Due to Related Parties Non-trade	2,425,352,150	2,425,352,150	7,528,997,776	7,528,997,776
Long-Term Bank Loans	549,061,387,301	549,061,387,301	520,010,880,007	520,010,880,007
Finance Lease Obligation	29,117,849,939	29,117,849,939	--	--
Bonds Payable	10,411,171,401,548	10,954,462,268,750	10,883,059,011,816	9,991,818,947,200
Other Long-Term Financial Liabilities	107,165,670,567	107,165,670,567	85,551,631,230	85,551,631,230
Total Financial Liabilities	**15,501,449,818,129**	**16,044,740,685,331**	**14,599,746,243,858**	**13,708,506,179,242**

As of June 30, 2016 and December 31, 2015, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

Derivative assets represent finanacial assets continously measured at fair value using valuation techniques with unobservable input portion (Level 2).

Critical assumptions used in the computation of fair value of derivatives are as follows:
- Using Black-Scholes model.
- Using the yield obtain from Bloomberg with the same maturity as option instrument.
- Using deviation standard of exchange rate of Rupiah to USD for 10 years until valuation date.
- Using rate of exchange at the closing date of the reporting.
- Using the same strike prices as stated in the call spread option agreement.

Available for sales financial assets represent financial assets continously measured at the fair value using quotation price in an active market (Level 1).

The fair value of bond payables are estimated using valuation techniques with unobservable input portion (Level 2).

The fair value of bond is calculated based on bond yield at the same/ identical rating with the remaining maturity of the bond.

The fair value hierarchy for financial assets at end of period/year recorded using their fair value, are as follows:

	June 30, 2016 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss				
Derivative	1,832,736,879,319	--	1,832,736,879,319	--
Other Current Financial Assets	83,986,414,526	83,986,414,526	--	--
Available-for-Sale				
Available-for-Sale Investment	6,344,718,054,858	6,344,718,054,858	--	--
Investment in Shares	77,574,195,411	--	--	77,574,195,411

	December 31, 2015 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss				
Derivative	2,015,953,790,020	--	2,015,953,790,020	--
Other Current Financial Assets	49,008,885,877	49,008,885,877	--	--
Available-for-Sale				
Available-for-Sale Investment	5,869,063,440,408	5,869,063,440,408	--	--
Investment in Shares	58,329,023,011	--	--	58,329,023,011

48. Business Combination

Aquisition PT Prima Cipta Lestari (PCL)
On January 20, 2016, PT Kreasi Tunas Bangsa (KTB) directly acquired 100% shares of PCL, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PCL:

	Rp
Cash and Cash Equivalents	6,117,067,268
Trade Receivables	299,415,292
Other Current Financial Assets	412,946,851
Inventories	1,408,309,475
Prepaid Expenses	105,579,169
Property and Equipment	5,489,824,438
Intangible Asset - Net	18,891,006
Deferred Tax Assets	3,684,925,500
Other Non-Current Financial Assets	394,007,900
Advance	46,160,899
Trade Payables - Third Parties	(9,934,596,453)
Acrued Expenses	(2,708,264,991)
Taxes Payable	(524,025,903)
Deferred Income	(79,329,924)
Net Assets	**4,730,910,527**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	4,730,910,527
Discount	(30,910,527)
Total Purchase Consideration	**4,700,000,000**

Discount obtained by the Group amounting to Rp30,910,527 related to changing of quoted market price of the available for sale financial assets as at the date of agreement and pre-agreement.

The Company through its subsidiaries acquired 100% ownership, therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current period of interim consolidated statements of profit or loss and other comprehensive income. In connection with the acquisition, PCL financial statements since the date of acquisition are interim consolidated financial statements of the Group.

Total revenues and income before income tax PCL since date of acquisition which are included in the interim consolidated statements of profit or loss and other comprehensive income for the 6 (six) months period ended June 30, 2016 amounted to Rp15,109,537,895 and Rp1,110,394,566, respectively.

Aquisition Premium Venture International Ltd (PVIL)

On June 29, 2015, PT Swadaya Teknopolis acquired 100% shares of PVIL indirectly through PT Swadaya Teknopolis from third party, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PVIL:

	Rp
Other Non-Current Financial Assets	9,027,108,296
Other Current Financial Assets	387,920,764,772
Intangible Assets	970,640,348
Due To Related Parties	(153,604,952,956)
Deferred Tax Liability	(294,203,676)
Other Comprehensive Income	(30,280,266,091)
Non-Controling Interest	(37,004,196,713)
Net Assets	**176,734,893,980**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	176,734,893,981
Discount	(6,634,893,981)
Total Purchase Consideration	**170,100,000,000**

Discount obtained by the Group amounting to Rp6,634,893,981 related to changing of quoted market price of the available for sale financial assets as at the date of agreement and pre-agreement.

The Company through its subsidiaries acquired 100% ownership, therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year of consolidated statements of profit or loss and other comprehensive income. In connection with the acquisition, PVIL financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax PVIL since date of acquisition which are included in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2015 amounted to Rp8,215,202,291 and Rp8,201,257,924, respectively.

Operating revenues and profit from PVIL for the year ended December 31, 2015, as if PVIL has been consolidated from January 1, 2015 amounted to Rp10,269,007,323 and Rp8,201,257,924, respectively.

49. Non-Cash Transactions

The following are investing and financing activities which do not affect cash flows:

- For the 6 (six) months periods ended June 30, 2016 and 2015, addition of AFS investment in LMIR Trust of 5,178,677 and 19,131,860 units (equivalent Rp15,325,649,836 and Rp62,496,961,982) and in First REIT of 2,312,359 and 1,565,297 units (equivalent Rp26,973,050,030 and Rp18,442,095,242) through payment of management fees to LMIRT Management Ltd and Bowsprit Capital Corporation Ltd, respectively.
- For the 6 (six) months period ended June 30, 2016, addition of AFS investment in in KIJA's shares of 31,236,573 shares (Rp9,564,045,158) through stock dividend.
- For the 6 (six) months periods ended June 30, 2016 and 2015, additional of property and equipment through the realization of advances for acquisition of property and equipment amounted to Rp37,611,075,591 and Rp21,528,637,910, respectively.
- For the 6 (six) months period ended June 30, 2016, additional property and equipment including property and equipment from acquired entity with cost of acquisition amounted to Rp25,558,430,031 and accumulated depreciation amounted to Rp20,068,605,593.
- For the 6 (six) months period ended June 30, 2016, additional of property and equipment through liabilities under capital lease amounted to Rp30,237,991,386.
- For the 6 (six) months periods ended June 30, 2016 and 2015, Receipt of Hotel and Hospital Performance Guarantee amounted to Rp34,500,000,000 and Rp69,000,000,000, still payable.

50. Capital Management

The objective of capital management is to safeguard the Company's ability as a going concern, maximize the returns to stockholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company regularly reviews and manages the capital structure to ensure that the return to stockholders is optimal, by considering the capital needs in the future and the Company's capital efficiency, profitability in the present and the future, projected operating cash flows, projected capital expenditures and projected opportunities of strategic investment.

Summary of quantitative data for capital management as of June 30, 2016 and December 31, 2015 are as follows:

	June 30, 2016 Rp	December 31, 2015 Rp
Net Liabilities:		
Total Liabilities	23,042,410,993,454	22,409,793,619,707
Less: Cash and Cash Equivalents	(1,773,352,379,166)	(1,839,366,003,277)
Total Net Liabilities	21,269,058,614,288	20,570,427,616,430
Total Equity	19,945,994,850,330	18,916,764,558,342
Less:		
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265	19,535,347,265
Difference in Transactions with Non-Controlling Interest	1,551,184,427,661	1,551,184,427,661
Difference equity changes of subsidiary	1,105,101,368,218	1,105,101,368,218
Other Comprehensive Income	816,854,870,107	482,023,339,014
Non-Controlling Interests	2,776,492,113,714	2,522,623,681,891
Total	6,269,168,126,965	5,680,468,164,049
Adjusted Equity	13,676,826,723,365	13,236,296,394,293
Net Liabilities Ratio to Adjusted Equity	**1.56**	**1.55**

51. Subsequent Events

- On August 10, 2016, Theta Capital Pte Ltd, a subsidiary, issued unsecured bonds with nominal value of USD260,000,000 at fixed rate 7% in Singapore Stock Exchage and will due on April 11, 2022. Purpose of the bond issuance is for the redemption of unsecured bonds which will mature on 2019 with nominal value of USD 250,000,000 at fixed rate 7%.

- On September 21, 2016, PT Megapratama Karya Persada, a subsidiary, disposed 104,049,000 (9%) shares ownership in PT Siloam International Hospitals Tbk (SIH), a subsidiary, to Prime Health Company Limited, a third party, with the consideration price of Rp1,196,563,500,000. Upon the disposal, Group's share ownership in SIH, decrease from 70.82% to 61.82%.

- Based on Deed of Extraordinary and General Meeting of Stockholders No. 149 dated August 31, 2016 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved and received the resignation of Tanri Abeng from his position as a Commissioner effective since August 11, 2016 and Rahmawaty from her position as a Director effective since August 1, 2016.

- On September 26, 2016, PT Mandiri Cipta Gemilang , a subsidiary, has fully paid all outstanding balance of credit facility obtained from PT Bank Mega Tbk amounted to Rp1,200,000,000,000.

52. Recent Development of Financial Accounting Standards (SAK)

New standard effective for periods beginning on or after September 14, 2016 is as follow:
- SFAS No. 70 "Accounting for Assets and Liability of Tax Amnesty"

Amendments to standard and interpretation effective for years beginning on or after January 1, 2017, with early application permitted are :
- Amendments to SFAS No.1:" Presentation of Financial Statements about Disclosure Initiative"
- IFAS No.31, Scope Interpretation of SFAS No.13 "Investment Property."

Standard and amendment to standard effective for periods beginning on or after January 1, 2018, with early application permitted are:
- SFAS No.69: "Agriculture"
- Amendments SFAS No.16: "Property and equipment about Agriculture: Bearer Plants".

Until the date of the interim consolidated financial statements being authorized, the Group is still evaluating the potential impact of the adoption of new standards, amendments to standards and interpretations of these standards.

53. Purpose of the Interim Consolidated Financial Statements

This report has been prepared solely for inclusion in the Company's Offering Circular in connection with the plan of Bonds Offering and is not intended to be and should not be used for any other purpose.

54. Responsibility on the Interim Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the interim consolidated financial statements which were authorized for issuance by Directors on October 7, 2016.

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES

Consolidated Financial Statements
As of December 31, 2015, 2014 and
January 1, 2014/ December 31, 2013 and
For the Years Ended December 31, 2015 and 2014

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DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

We the undersigned:

1. Name	: Ketut Budi Wijaya
Address	: Menara Matahari Lt. 22 Jln. Bulevar Palem Raya No. 7 Lippo Karawaci, Tangerang 15811
Residential Address (as in identity card)	: Jln. Percetakan Negara II/3 Johar Baru, Jakarta Pusat.
Telephone	: (021)2566 9000
Title	: President Director
2. Name	: Ninik Prajitno
Address	: Menara Matahari Lt. 22 Jln. Bulevar Palem Raya No. 7 Lippo Karawaci, Tangerang 15811
Residential Address (as in identity card)	: Jln. Prisma Block B.3/24 Taman Kedoya Permai, Jakarta Barat
Telephone	: (021)2566 9000
Title	: Finance Director

State that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Lippo Karawaci Tbk ("the Company);
2. The Company's consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. a. All information contained in the Company's consolidated financial statements is complete and correct;
   b. The Company's consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 26 Februari 2016
PT Lippo Karawaci Tbk

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Ketut Budi Wijaya	**Ninik Prajitno**
President Director	Finance Director

7 Boulevard Palem Raya # 22-00 Menara Matahari, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia
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Amir Abadi Jusuf, Aryanto, Mawar & Rekan
Registered Public Accountants

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This report is originally issued in Indonesia language

Number : R/085.AGA-E/dwd.2/2016

Independent Auditors' Report

The Stockholders, Board of Commissioners and Directors
PT Lippo Karawaci Tbk

We have audited the accompanying consolidated financial statements of PT Lippo Karawaci Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2015 and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

This report is originally issued in Indonesia language

Opinion
In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the consolidated financial position of PT Lippo Karawaci Tbk and its subsidiaries as of December 31, 2015, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Emphasis of a matter
We draw attention to Note 3 to the consolidated financial statements, the Company and subsidiaries applied Statements and Interpretation of Financial Accounting Standards that have been effective since January 1, 2015, which have been applied retrospectively. Therefore, the Company and subsidiaries have restated its consolidated financial statements for the year ended December 31, 2014, and consolidated statements of financial position as of January 1, 2014/ December 31, 2013 with adjustments and reclassification to the certain accounts on the previous consolidated financial statements. We have audited those adjustments and reclassification as described in Note 3 and our opinion is not modified in respect to this matter.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Didik Wahyudiyanto
Public Accountant License Number: AP.0502

Jakarta, February 26, 2016

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2015, 2014 and January 1, 2014/ December 31, 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	December 31, 2015 Rp	December 31, 2014 *) Rp	January 1, 2014/ December 31, 2013 *) Rp
Current Assets				
Cash and Cash Equivalents	4, 11, 45, 47	1,839,366,003,277	3,582,643,822,338	1,855,051,780,961
Trade Accounts Receivable	5, 47			
Third Parties	45	1,424,217,469,472	947,553,882,292	769,239,450,809
Related Parties	11	10,130,038,169	3,549,747,604	2,432,208,891
Available-for-Sale Financial Assets	6, 47	5,869,063,440,408	5,502,958,263,108	5,109,971,815,786
Other Current Financial Assets	7, 43.d, 45, 47	2,928,088,914,567	2,607,722,891,057	1,668,510,672,464
Inventories	8	20,458,990,316,986	16,579,175,843,160	13,894,009,358,067
Prepaid Taxes	20.c	817,415,175,234	621,469,444,851	576,053,458,431
Prepaid Expenses	9, 43.b	229,665,665,157	196,903,364,687	137,858,917,501
Total Current Assets		33,576,937,023,270	30,041,977,259,097	24,013,127,662,910
Non-Current Assets				
Due from Related Parties Non-Trade	11, 47	37,093,485,060	14,788,363,567	9,737,396,584
Other Non-Current Financial Assets	10, 45, 47	754,183,530,989	619,925,241,308	518,798,100,269
Investments in Associates	11, 12	153,843,414,817	123,283,762,281	130,431,496,396
Investments in Joint Venture	11, 13	231,427,318,896	--	--
Investment Property	14	417,000,308,256	310,304,754,503	306,361,105,208
Property and Equipment	15	2,731,532,523,878	3,208,762,510,252	2,810,892,282,327
Intangible Assets	16, 48	534,930,482,004	528,286,450,588	337,549,685,494
Deferred Tax Assets	3, 20.b	46,950,367,278	63,918,907,644	52,650,149,802
Advances	17	1,429,931,761,310	1,709,940,393,608	1,456,429,749,828
Land for Development	18	1,369,660,864,310	1,136,227,496,536	1,611,411,858,630
Other Non-Current Non-Financial Assets		43,067,097,981	98,961,735,218	60,968,276,381
Total Non-Current Assets		7,749,621,154,779	7,814,399,615,505	7,295,230,100,919
TOTAL ASSETS		**41,326,558,178,049**	**37,856,376,874,602**	**31,308,357,763,829**

*) Restated (see Note 3)

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)
As of December 31, 2015, 2014 and January 1, 2014/ December 31, 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	December 31, 2015 Rp	December 31, 2014 *) Rp	January 1, 2014/ December 31, 2013 *) Rp
LIABILITIES				
Current Liabilities				
Trade Accounts Payable - Third Parties	21, 45, 47	782,916,296,824	404,174,297,491	397,748,177,608
Accrued Expenses	19, 45, 47	1,006,468,547,643	1,129,923,477,800	557,317,185,591
Taxes Payable	20.d	228,973,968,765	648,190,083,093	253,597,145,454
Short-Term Employment Benefits Liabilities	47	12,171,380,895	18,383,620,765	13,318,752,901
Short-Term Bank Loans	22, 47	962,173,564,967	173,540,195,011	4,927,167,196
Current Portion of Long-Term-Bank Loans	24, 47	48,261,246,570	12,435,856,488	11,792,174,233
Other Current Financial Liabilities	23, 47	339,865,932,700	408,790,491,164	300,183,744,169
Advances from Customers	27	863,192,440,180	2,523,984,487,387	3,076,033,864,066
Deferred Income	11, 28	480,093,178,686	362,175,439,809	112,750,964,416
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	132,766,996,702	127,287,435,838	119,603,248,421
Total Current Liabilities		4,856,883,553,932	5,808,885,384,846	4,847,272,424,055
Non-Current Liabilities				
Long-Term Bank Loans	24, 47	471,749,633,437	30,525,083,739	42,960,940,232
Due to Related Parties Non-Trade	11, 47	7,528,997,776	3,379,278,119	3,828,292,119
Bonds Payable	25, 45, 47	10,883,059,011,816	9,780,611,296,551	7,747,839,607,892
Other Non-Current Financial Liabilities	47	85,551,631,230	67,387,383,763	50,996,677,731
Long-Term Employment Benefits Liabilities	3, 11, 26	311,085,515,426	255,676,668,775	199,028,214,728
Deferred Tax Liabilities	20.b	39,593,675,631	28,147,868,966	11,983,104,371
Advances from Customers	27	4,348,551,967,369	2,695,672,067,330	2,245,662,396,406
Deferred Income	11, 28	359,098,632,304	418,009,418,689	715,824,259,042
Deferred Gain on Sale and Leaseback Transactions	29, 43.b	1,046,691,000,786	1,147,252,565,727	1,274,494,531,641
Total Non-Current Liabilities		17,552,910,065,775	14,426,661,631,659	12,292,618,024,162
Total Liabilities		**22,409,793,619,707**	**20,235,547,016,505**	**17,139,890,448,217**
EQUITY				
Equity Attributable to Owner of the Parent				
Capital Stock				
Par Value - Rp100				
Authorized Capital - 64,000,000,000 shares				
Issued and Fully Paid - 23,077,689,619 shares	30	2,307,768,961,900	2,307,768,961,900	2,307,768,961,900
Additional Paid-in Capital - Net	31	4,063,148,621,880	4,063,148,621,880	4,063,148,621,880
Difference in Transactions with Non-Controlling Interest	32	1,551,184,427,661	529,570,372,012	(185,773,768,543)
Other Equity Components	33	1,105,101,368,218	1,105,101,368,218	1,105,101,368,218
Treasury Stock	30	(216,524,113,794)	(216,524,113,794)	(216,524,113,794)
Retained Earnings		7,101,438,271,572	6,958,145,679,167	4,731,190,705,608
Other Comprehensive Income	3, 35	482,023,339,014	840,369,302,174	978,701,350,944
Total Equity Attributable to Owner of the Parent		**16,394,140,876,451**	**15,587,580,191,557**	**12,783,613,126,213**
Non-Controlling Interests	3, 36	**2,522,623,681,891**	**2,033,249,666,540**	**1,384,854,189,399**
Total Equity		**18,916,764,558,342**	**17,620,829,858,097**	**14,168,467,315,612**
TOTAL LIABILITIES AND EQUITY		**41,326,558,178,049**	**37,856,376,874,602**	**31,308,357,763,829**

*) Restated (see Note 3)

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Years Ended December 31, 2015 and 2014
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2015 Rp	2014 *) Rp
REVENUES	11, 37	8,910,177,991,351	11,655,041,747,007
Final Tax Expenses	3, 20.a	(206,527,925,189)	(372,429,257,496)
NET REVENUES		**8,703,650,066,162**	**11,282,612,489,511**
COST OF REVENUES	38	(4,791,656,100,182)	(6,257,664,110,188)
GROSS PROFIT		**3,911,993,965,980**	**5,024,948,379,323**
Operating Expenses	3, 39	(2,391,092,211,267)	(2,119,155,611,804)
Other Income	41	240,033,522,464	595,445,979,296
Other Expenses	41	(270,602,658,223)	(63,467,956,030)
PROFIT FROM OPERATIONS		**1,490,332,618,954**	**3,437,770,790,785**
Financial Charges - Net	40	(177,007,309,352)	(122,050,717,802)
Loss on Disposal of Available for Sale Financial Assets	6	(15,437,851,660)	--
Share in the Profit (Loss) of Associates and Joint Venture	12	(13,057,606,802)	8,239,143,222
PROFIT BEFORE TAX		**1,284,829,851,140**	**3,323,959,216,205**
Tax Expenses	3, 20.a	(260,709,216,880)	(184,007,957,716)
PROFIT FOR THE YEAR		**1,024,120,634,260**	**3,139,951,258,489**
OTHER COMPREHENSIVE INCOME			
Other Comprehenshive Income Items that will not be Reclassified Subsequently to Profit or Loss:			
Loss from Remeasurement of Defined Benefits Plan	3, 26	(8,914,005,266)	(19,048,967,529)
Portion of Remeasurement of Defined Benefit Plan of Associates		(1,200,516,326)	--
Income Tax Related to Items that will not be Reclassified Subsequently to Profit or Loss:		(4,477,863,145)	6,051,181,862
Other Comprehenshive Income Items that will be Reclassified Subsequently to Profit or Loss:			
Gain (Loss) from Translation of Financial Statements	35	(244,573,137,843)	117,468,872,709
Loss on Remeasurement in Fair Value of Available-for-Sale Financial Assets	6, 35	(132,627,182,959)	(255,800,921,479)
Reclasification Adjustment on Loss Available-for-Sale Financial Assets in Profit and Loss		(15,437,851,660)	--
Income Tax Related to Items that will be Reclassified Subsequently to Profit or Loss	6, 34	24,057,826	--
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(407,206,499,374)	(151,329,834,437)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**616,914,134,886**	**2,988,621,424,052**
Profit for the Year Attributable to:			
Owner of the Parent		535,393,802,755	2,556,247,574,832
Non-Controlling Interests		488,726,831,505	583,703,683,657
		1,024,120,634,260	**3,139,951,258,489**
Total Comprehensive Income for the Year Attributable to:			
Owner of the Parent		148,483,248,571	2,408,622,924,789
Non-Controlling Interests		468,430,886,315	579,998,499,263
		616,914,134,886	**2,988,621,424,052**
EARNINGS PER SHARE			
Basic, Profit for the Year Attributable to Ordinary Shareholders of the Parent	42	23.51	112.26

*) Restated (see Note 3)

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2015 and 2014
(Expressed In Full Rupiah, Unless Otherwise Stated)

		Total Equity Attributable to Owner of the Parent														Non-Controlling Interest	Total Equity
			Additional Paid-in Capital - Net					Retained Earnings			Other Comprehensive Income						
	Notes	Issued and Fully Paid Capital Stock Rp	Paid-in Capital Excess of Par - Net Rp	Difference in Value from Restructuring Transactions between Entities Under Common Control- Net Rp	Total Rp	Difference in Transactions with Non-Controlling Interest Rp	Treasury Stock Rp	Appropriated Rp	Unappropriated *) Rp	Total Rp	Translation of Financial Statements Rp	Available for Sale Financial Assets Rp	Total Rp	Other Equity Components Rp	Total Rp	Rp	Rp
BALANCE AS OF DECEMBER 31, 2013		**2,307,768,961,900**	**4,043,613,274,615**	**19,535,347,265**	**4,063,148,621,880**	**(185,773,768,543)**	**(216,524,113,794)**	**7,000,000,000**	**4,741,452,643,994**	**4,748,452,643,994**	**552,703,272,840**	**425,998,078,104**	**978,701,350,944**	**1,105,101,368,218**	**12,800,875,064,599**	**1,376,698,240,626**	**14,177,573,305,225**
Effect of Initial Adoption of PSAK No. 24 (Revised 2013)	3																
Accumulated Retained Earnings		--	--	--	--	--	--	--	18,982,015,775	18,982,015,775	--	--	--	--	18,982,015,775	564,791,924	19,546,807,699
Total Other Comprehensive Income		--	--	--	--	--	--	--	(36,243,954,161)	(36,243,954,161)	--	--	--	--	(36,243,954,161)	7,591,156,849	(28,652,797,312)
BALANCE AS OF JANUARY 1, 2014 AFTER INITIAL ADOPTION OF PSAK NO.24 (REVISED 2013)		**2,307,768,961,900**	**4,043,613,274,615**	**19,535,347,265**	**4,063,148,621,880**	**(185,773,768,543)**	**(216,524,113,794)**	**7,000,000,000**	**4,724,190,705,608**	**4,731,190,705,608**	**552,703,272,840**	**425,998,078,104**	**978,701,350,944**	**1,105,101,368,218**	**12,783,613,126,213**	**1,384,854,189,399**	**14,168,467,315,612**
Equity Changes in 2014																	
Cash Dividend and Reserved Fund	34	--	--	--	--	--	--	1,000,000,000	(321,000,000,000)	(320,000,000,000)	--	--	--	--	(320,000,000,000)	--	(320,000,000,000)
Dividend Distribution In Subsidiaries	36	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(29,228,881,567)	(29,228,881,567)
Disposal of Shares in Subsidiary	32	--	--	--	--	741,092,494,948	--	--	--	--	--		--	--	741,092,494,948	116,907,505,052	858,000,000,000
Acquisition of Shares in Subsidiary	32	--	--	--	--	(25,748,354,393)	--	--	--	--	--		--	--	(25,748,354,393)	(19,281,645,607)	(45,030,000,000)
Income for The Year		--	--	--	--	--	--	--	2,556,247,574,832	2,556,247,574,832	--		--	--	2,556,247,574,832	583,703,683,657	3,139,951,258,489
Other Comprehensive Income for the Year		--	--	--	--	--	--	--	(9,292,601,273)	(9,292,601,273)	117,468,872,709	(255,800,921,479)	(138,332,048,770)	--	(147,624,650,043)	(3,705,184,394)	(151,329,834,437)
BALANCE AS OF DECEMBER 31, 2014		**2,307,768,961,900**	**4,043,613,274,615**	**19,535,347,265**	**4,063,148,621,880**	**529,570,372,012**	**(216,524,113,794)**	**8,000,000,000**	**6,950,145,679,167**	**6,958,145,679,167**	**670,172,145,549**	**170,197,156,625**	**840,369,302,174**	**1,105,101,368,218**	**15,587,580,191,557**	**2,033,249,666,540**	**17,620,829,858,097**
Equity Changes in 2015																	
Non-Controlling Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,911,392,190	46,911,392,190
Disposal of Shares in Subsidiary	32	--	--	--	--	1,000,581,189,869	--	--	--	--	--	--	--	--	1,000,581,189,869	136,218,810,131	1,136,800,000,000
Cash Dividend and Reserved Fund	34	--	--	--	--	--	--	1,000,000,000	(381,000,000,000)	(380,000,000,000)	--	--	--	--	(380,000,000,000)	--	(380,000,000,000)
Acquisition shares of Non-Controlling Interest	32	--	--	--	--	21,032,865,780	--	--	--	--	--	--	--	--	21,032,865,780	(61,725,393,344)	(40,692,527,564)
Dividend Distribution In Subsidiaries	36	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(137,465,876,654)	(137,465,876,654)
Acquisition of in Subsidiaries	48	--	--	--	--	--	--	--	--	--	--	16,463,380,674	16,463,380,674	--	16,463,380,674	37,004,196,713	53,467,577,387
Income for The Year		--	--	--	--	--	--	--	535,393,802,755	535,393,802,755	--		--	--	535,393,802,755	488,726,831,505	1,024,120,634,260
Total Other Comprehensive Income for the Year		--	--	--	--	--	--	--	(12,101,210,350)	(12,101,210,350)	(244,061,093,126)	(130,748,250,708)	(374,809,343,834)	--	(386,910,554,184)	(20,295,945,190)	(407,206,499,374)
BALANCE AS OF DECEMBER 31, 2015		**2,307,768,961,900**	**4,043,613,274,615**	**19,535,347,265**	**4,063,148,621,880**	**1,551,184,427,661**	**(216,524,113,794)**	**9,000,000,000**	**7,092,438,271,572**	**7,101,438,271,572**	**426,111,052,423**	**55,912,286,591**	**482,023,339,014**	**1,105,101,368,218**	**16,394,140,876,451**	**2,522,623,681,891**	**18,916,764,558,342**

*) Included Remeasurement of Defined Benefits Plan

The accompanying notes form an integral part of these
Consolidated financial statements

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2015 Rp	2014 *) Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from Customers		8,638,670,900,068	10,927,339,727,633
Payments to Suppliers and Third Parties		(8,597,735,478,623)	(7,668,327,699,230)
Payments to Employees		(1,364,088,264,631)	(1,288,080,174,631)
Interest Received		83,693,332,829	64,860,824,565
Taxes Payments		(607,270,745,153)	(450,403,061,640)
Interest Payments		(863,970,420,919)	(798,918,462,470)
Net Cash Provided (Used) in Operating Activities		(2,710,700,676,429)	786,471,154,227
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and Equipment and Software			
Disposal		86,214,960	665,198,588
Acquisition		(496,606,674,144)	(625,009,364,434)
Receipt of Hotel and Hospital Performance Guarantee		120,000,000,000	156,000,000,000
Acquisition of Investment Property		(8,304,892,095)	(21,460,468,648)
Receipt of Dividend		190,006,743,444	247,350,342,124
Placement of Investments in Bond	10	(10,000,000,000)	--
Placement of Investment in Promissory Notes	7	(10,206,914,400)	--
Acquisition Share of Non-Controlling Interest in Subsidiaries	32	(40,692,527,564)	(45,030,000,000)
Disposal of Available-for-Sale Financial Assets	6	62,139,466,275	--
Placement of Restricted Funds		(124,258,289,681)	(101,127,141,039)
Placement of Invesments in Joint Venture	13	(213,357,207,223)	--
Acquisition of Subsidiaries, Net of Cash Acquired	48	--	(208,052,418,790)
Disposal of Share in Subsidiary	32	1,136,800,000,000	858,000,000,000
Placement of Investments in Mutual Fund	7	(43,000,000,000)	--
Placement of Investments in Association	12	(38,589,000,000)	--
Disposal of Investments in Association	12	--	15,295,000,000
Placement of Investments and Advances		(319,197,200,722)	(626,756,261,175)
Net Cash Provided by (Used in) Investing Activities		204,819,718,850	(350,125,113,374)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Bond Issuance	25		
Received		--	1,716,600,000,000
Issuance Cost		--	(127,071,741,361)
Proceeds from Capital Raising through Initial Public Offering of Subsidiary			
Stock Issuance Cost		--	(1,899,274,884)
Received from Short-Term Bank Loans		788,633,369,956	168,613,027,815
Payment to Related Parties - Net		(18,155,401,836)	(5,499,980,983)
Dividend Distribution to:			
Owners of the Parent	34	(380,000,000,000)	(320,000,000,000)
Non-Controlling Interest		(137,465,876,654)	(29,228,373,877)
Received from Non-Controlling Interest		23,410,000,000	--
Long-Term Bank Loans			
Received		531,781,227,414	--
Payments		(54,731,287,634)	(81,381,882,713)
Net Cash Provided by Financing Activities		753,472,031,246	1,320,131,773,997
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,752,408,926,333)	1,756,477,814,850
Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the Year		9,131,107,272	(28,885,773,473)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,582,643,822,338	1,855,051,780,961
CASH AND CASH EQUIVALENTS AT END OF YEAR		**1,839,366,003,277**	**3,582,643,822,338**

*) Restated (see Note 3)

Additional informations that does not affect the activity of cash flows are presented in Note 49.

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

1. General

1.a. The Company's Establishment

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 30 dated July 3, 2015, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange of the Company's article of association. The change of deed was recorded by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.03.0951739 dated July 15, 2015. The deed was received by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.03.0951739 dated July 15, 2015.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers and sports centers, supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's and subsidiaries (Group) main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and subsidiaries ("the Group"), includes Sumatera, Java, Bali, Borneo, Sulawesi, Nusa Tenggara and several subsidiaries domiciled in Singapore, Malaysia, British Virgin Island, Vanuatu and Seychelles.

The Company is domiciled at Jl Boulevard Palem Raya No. 7, Menara Matahari 22nd - 23rd Floor, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

1.b. The Company's Initial Public Offering

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed in the Indonesian Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in the Indonesian Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares which increased the Company's total outstanding shares to 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

In 2004, the Company offered 881,905,813 common shares at par value of Rp500 to the stockholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to stockholders who exercised their rights in the Limited PublicOffering II. This offering was approved by the Decree of the Chairman of Bapepam-LK in his Letter No. S-3357/PM/2004 dated October 29, 2004. These shares were listed in the Indonesian Stock Exchange on January 20, 2005.

On July 28, 2006, the Company exercised stock split from one to two shares. The outstanding 5,871,017,072 shares as of December 31, 2006 have been listed in the Indonesian Stock Exchange.

On December 26, 2007, the Company exercised stock split fromRp 250 to Rp100 per share. The outstanding 17,302,151,695 shares as of December 31, 2007 have been listed in the Indonesian Stock Exchange.

In December 2010, the Company offered 4,325,537,924 common shares with a par value of Rp100 to the stockholders through Limited Public Offering III. This offering has received an effective notice of registration statement through the letter of the Chairman of Bapepam-LK No. S-10674/BL/2010, dated November 29, 2010 and was approved by the stockholders through a resolution of the EGM on same date. On December 29, 2010 these shares were listed in the Indonesian Stock Exchange.

Based on the Deed of Extraordinary General Meeting of Stockholders (EGMS) No. 02 dated May 3, 2010 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, which was recently updated by the Deed of EGMS Resolution No. 13 dated March 9, 2011, made in the presence of same notary, the stockholders approved the issuance of new shares within the framework of the Non Preemptive Rights Issuance (NPRI) with a maximum of 10% of paid-in capital or 2,162,768,961 shares. The NPRI can be implemented at once and / or gradually within a year of 2 (two) years as approved by the EGMS. On June 6, 2011, the addition of 1,450,000,000 shares has been issued. The new shares were listed in the Indonesian Stock Exchange on June 8, 2011.

Based on the Deed of EGMS No. 19 dated November 15, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, the shareholders approved the repurchase (buyback) of outstanding shares. In 2011, the number of shares repurchased amounted to 96,229,500 shares, bringing the total number of ordinary shares outstanding as of the December 31, 2011 amounted to 22,981,460,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 005/LK-COS/I/2012 dated January 13, 2012.

The repurchased of the outstanding ordinary shares made in 2012 totalling 209,875,000 shares, bringing the outstanding shares as of December 31, 2012 amounted to 22,771,585,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

1.c. Structure of the Company and it subsidiaries

The Details of subsidiaries consolidated in the consolidated financial statements are as follows:

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
Theta Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	11,422,760,431,696	10,233,632,441,423
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	11,347,225,059,287	10,183,435,340,378
Sigma Capital Pte Ltd*** and subsidiary	Singapore	Investment	100.00%	--	--	5,211,394,537	5,061,361,538
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,985,955,682	4,646,411,779
Lippo Karawaci Corporation Pte Ltd**** and subsidiaries	Singapore	Investment, Trading and Services	100.00%	--	--	536,104,452,256	455,785,406,201
LK Reit Management Pte Ltd**** and subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	536,104,462,007	455,785,415,623
Bowsprit Capital Corporation Ltd****	Singapore	Investment, Trading and Services	--	100.00%	2006	536,104,452,256	455,785,406,201
Jesselton Investment Limited*** and subsidiaries	Malaysia	Investment, Trading and Services	100.00%	--	--	500,438,252,026	478,464,512,018
Peninsula Investment Limited*** and subsidiary	Malaysia	Investment, Trading and Services	--	100.00%	--	500,438,265,821	478,464,524,458
LMIRT Management Ltd ****	Singapore	Investment, Trading and Services	--	100.00%	2007	500,438,252,026	478,464,512,018
PT Primakreasi Propertindo and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	99.99%	0.01%	--	10,192,368,427,422	7,937,655,412,752
PT Mujur Sakti Graha and subsidiaries	Tangerang	Real Estate	--	100.00%	--	48,223,381,969	25,546,934,531
PT Surplus Multi Makmur and subsidiary	Jakarta	Real Estate	--	90.00%	--	67,263,961,296	44,590,731,858
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--	67,269,439,275	44,594,110,337
PT Puri Paragon	Tangerang	Development, Trading and Services	--	100.00%	--	580,592,942	580,592,942
PT Menara Tirta Indah	Tangerang	Development, Trading and Services	--	100.00%	--	589,769,816,739	564,260,253,179
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	20,153,153,609	20,153,684,173
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	5,783,526,903	6,484,801,290
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	10,948,173,364	10,494,851,647
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	107,371,000,238	114,452,874,393
PT Safira Prima Utama (2.14% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	962,085,510,656	125,747,926,689
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--	1,061,156,484,719	877,028,352,524
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,855,297,333	62,859,299,858
PT Graha Solusi Mandiri and subsidiaries	Jakarta	Services	--	100.00%	--	115,840,230,785	116,209,887,731
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	80.00%	--	126,269,155	126,269,155
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	836,815,072	837,936,902
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	98,085,547,608	80,585,959,945
PT Mandiri Cipta Gemilang and subsidiaries	Jakarta	Real Estate	--	100.00%	2003	5,359,772,584,370	4,613,658,074,695
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	152,735,911,089	98,312,623,408
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2013	165,184,501,524	120,443,039,582
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,466,061,055	2,473,364,010
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	343,382,182,073	244,372,362,940
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	67,518,029,603	29,987,464,604
PT Bimasakti Jaya Abadi and subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	692,440,162,336	684,601,729,872
PT Kuta Beach Paragon and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	496,342,111,971	468,915,359,383
PT Graha Buana Utama and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	496,236,767,718	449,860,654,085
PT Berkat Langgeng Jaya and subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	496,803,589,718	450,427,476,085
PT Pamor Paramita Utama and subsidiaries	Badung	Development, Trading and Services	--	100.00%	2013	487,350,358,983	439,900,736,204
PT Kridakarya Anugerah Utama [1])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Kencana Agung Pratama [1])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Trimulia Kencana Abadi [1])	Badung	Development, Trading and Services	--	100.00%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	4,041,556,478	3,999,011,976
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--	439,260,589,848	324,147,004,722
PT Danisa Indah Cipta and subsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	525,051,461	544,184,929
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	82,825,717	101,389,170
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,741,589,528	3,743,180,248
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,976,952,108	1,996,146,526
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	54,201,213,000	41,753,819,692
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,566,114,296	15,567,249,436
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	52,883,372,764	29,602,681,982
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	1,986,816,333	1,780,260,937
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	586,968,750	587,618,750
PT Lautan Sinar Abadi	Tangerang	Development, Trading and Services	--	100.00%	--	1,356,033,288	361,097,840
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	583,750,000	584,750,000
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	5,111,793,383	5,118,094,087
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	36,717,871,271	36,716,926,574
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,236,947,569	11,182,399,840
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,325,167,400	2,326,167,400
PT Bumi Aurum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--	63,588,734,445	47,017,100,849
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	58,705,000	63,005,000
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	70.00%	2013	1,011,670,328,438	794,563,922,776
PT Jayadipta Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,325,167,400	2,326,167,400
PT Bumi Sindang Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	141,213,197	154,463,197
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,161,989	581,980,381
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	--	66,123,746,499	42,633,127,624
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	595,515,923	589,329,126
PT Sekawan Dunia Dinamika	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	584,000,000
PT Citra Dwi Anugrah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	519,780,515	530,373,719
PT Pelangi Mutiara Timur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	518,509,311	514,070,812
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	486,389,017	493,549,517
PT Sinar Biru Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	584,000,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Tunggal Mekar Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	583,000,000	584,000,000
PT Bowsprit Asset Management	Jakarta	Investment Trading	--	100.00%	2015	24,034,423,490	24,696,754,836
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	217,191,186	927,629,672
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	30,350,000	31,350,000
PT Mentari Adi Perkasa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	997,755,000	998,655,000
PT Berdikari Jaya Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,255,000	73,505,000
PT Lumbung Mas Trijaya and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	870,735,577,840	805,675,772,633
PT Karyatama Buana Cemerlang and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	790,741,518,236	745,594,458,836
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	2014	730,423,687,982	685,308,685,960
PT Dwi Prabu Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Sumber Pundi Sejahtera	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	10,970,562,500	584,000,000
PT Prabu Cipta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,517,500	584,000,000
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--	5,908,209,435	5,981,509,435
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	89,752,402,218	50,502,630,728
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,205,241,071	72,186,726,571
PT Suar Lintas Samudra	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	584,000,000
PT Berkat Samiguna Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	574,000,000	584,000,000
PT Global Lintas Multitama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Sarana Ciptakarya Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,500,000	584,000,000
PT Mitra Samiguna Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	9,977,026,000	578,025,000
PT Cipta Mutiara Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	149,978,000,000	149,979,000,000
PT Suar Mutiara Semesta	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Manyala Harapan	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	92,685,594,499	80,081,744,189
PT Suar Lintas Benua and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	863,650,000	1,185,000,000
PT BST Kupang Sejahtera [2])	Jakarta	Development, Trading, Printing and Services	--	50.10%	--	600,000,000	600,000,000
PT Mulia Cipta Wibawa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	582,500,000	585,000,000
PT Andromeda Sakti	Tangerang	Development, Trading, Printing Transportation Agriculture Workshops and Services	--	100.00%	2015	102,013,197,250	600,000,000
PT Persada Mandiri Jaya [2])	Jakarta	Development, Trading, and Services	--	55.00%	--	586,500,000	600,000,000
PT Bandha Mulia Abadi [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,154,600,000	11,154,900,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Dutamas Cakra Tunggal [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	583,559,730	600,000,000
PT Indocitra Mulia Pratama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,313,000,953	600,000,000
PT Praja Adikara Utama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	3,048,283,917	600,000,000
PT Pusaka Sumber Artha [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	591,225,000	600,000,000
PT Prima Sentosa Jaya Abadi [2])	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	586,950,000	600,000,000
PT Indahjaya Sukses Abadi [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,375,000	600,000,000
PT Mandara Nusa Loka [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	600,000,000
PT Garda Utama Manado [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	600,000,000
PT Cipta Bakti Utama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,094,236,892	600,000,000
PT Binaman Cipta Mandiri [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	39,508,475,332	600,000,000
PT Sentra Dwimandiri and subsidiaries (1.63% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	99.99%	0.01%	--	5,855,097,222,765	5,554,696,500,604
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	566,439,123	6,264,108,920
PT Sentra Realtindo Development and subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Care	--	100.00%	2001	143,912,331,574	125,456,126,578
PT Darma Sarana Nusa Pratama and subsidiary	Tangerang	Real Estate	--	52.70%	1997	72,905,668,870	78,871,020,367
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	7,359,760,353	5,133,315,616
PT Golden Pradamas and subsidiaries	Tangerang	Real Estate	--	100.00%	--	733,793,521,174	618,852,901,965
PT Mulia Bangun Semesta and subsidiaries	Tangerang	Real Estate	--	100.00%	2002	811,992,028,933	628,417,382,080
PT Villa Permata Cibodas and subsidiaries	Tangerang	Real Estate	--	100.00%	1995	298,803,357,037	193,744,121,719
PT Puncak Resort International and subsidiaries	Cianjur	Real Estate	--	99.99%	1994	76,183,843,809	75,594,996,697
PT Dona Indo Prima	Tangerang	Real Estate	--	100.00%	--	41,078,593,520	50,000,000
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,670,912,374	22,671,635,374
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	9,351,288,266	8,803,481,567
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,181,954,068	7,182,386,068
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,824,438,812	1,825,161,812
PT Sukmaprima Sejahtera	Tangerang	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Villapermata Gemilang Abadi [2])	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bumi Sawarna Indah [2])	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mulia Sentosa Dinamika (4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997	402,589,982,356	370,159,105,566
PT Sentra Asritama Realty Development and subsidiaries	Tangerang	Installation and Water Treatment	--	100.00%	1994	204,103,464,536	205,842,879,018
PT Tata Mandiri Daerah Lippo Karawaci and susidiary	Tangerang	Town Management	--	100.00%	1999	187,450,907,583	188,838,584,634
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	99.99%	--	20,330,325,285	20,332,287,869
PT Karya Bersama Jaya	Jakarta	Installation and Water Treatment		100.00%	2010	32,890,064,172	30,798,919,227
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,361,768,217	33,367,856,443
PT Saptapersada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	7,844,810,637	8,288,307,254
PT Sejatijaya Selaras	Jakarta	Real Estate	--	100.00%	--	13,200,319,878	13,125,265,493
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,700,451,232	16,705,594,306
PT Sentra Office Realty	Tangerang	Development	--	100.00%	1998	722,781,760	722,781,760
PT Dinamika Intertrans	Jakarta	Transportation	--	100.00%	1994	1,157,602,808	964,049,979
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	465,520,500	468,506,000
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,551,501,213	2,554,714,463
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	157,053,301	161,033,503
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	5,913,708	7,295,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	5,532,966	6,914,966
PT Manunggal Bumi Sejahtera and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	531,233,655,665	280,259,865,094
PT Asiatic Sejahterah Finance	Tangerang	Development, Trading, Printing and Services	--	100.00%	2009	427,015,850,305	15,572,832,958
PT Paragon City	Jakarta	Real Estate and Trading	--	100.00%	--	15,695,892,615	15,693,826,615
PT Padang Indah City	Padang	Trading Development and Services	--	100.00%	--	16,720,547,228	16,730,973,693
Bridgewater International Ltd***	Seychelles	Investment and Trading	--	100.00%	2006	4,260,614,432,503	4,404,916,671,928
Pan Asian Investment Ltd*** and subsidiary	Vanuatu	Trading	--	100.00%	--	6,790,208,086	6,790,208,086
Cromwell Investment Ltd***	Vanuatu	Trading	--	100.00%	--	16,930	16,930
PT Lippo Karawaci Infrastructure & Utilitas Division and subsidiary	Tangerang	Construction and Services	--	100.00%	--	10,217,805,495	222,777,677
PT TMD Manado Manajemen [2])	Tangerang	Management Consulting	--	100.00%	--	10,000,000,000	10,000,000,000
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	102,088,788,768	92,147,606,642
Evodia Strategic Investment Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	487,549,995,340	471,099,995,497
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	2014	14,761,833,436	8,882,409,080

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	32,036,078,824	19,759,833,203
PT TMD Depok Manajemen	Depok	Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentrasemesta Indah Cemerlang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Wisma Jatim Propertindo and subsidiaries (1.23% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Services	100.00%	--	--	5,752,773,130,589	5,523,249,922,896
PT Maharama Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk and 0.05% ownership in PT Siloam International Hospitals Tbk)	Jakarta	Trading	--	100.00%	--	274,316,000	274,316,000
PT Kemang Paragon Mall and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	3,208,720,342,821	5,695,597,309,696
PT Wahana Usaha Makmur and subsidiaries	Jakarta	Real Estate	--	100.00%	--	1,724,714,244,769	5,695,540,104,557
PT Almaron Perkasa and subsidiaries	Jakarta	Real Estate	--	100.00%	2005	1,706,872,089,223	5,681,674,371,674
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	2014	33,836,430,746	1,628,887,735
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	100.00%	2013	259,062,090,279	276,004,785,749
PT Prima Aman Sarana	Jakarta	Services	--	100.00%	--	139,139,604,503	116,643,334,519
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	100.00%	2013	36,470,032,019	37,200,819,290
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	2014	22,733,502,448	600,000,000
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	2014	19,338,125,177	600,000,000
PT Lipposindo Abadi and subsidiaries	Jakarta	Trading	--	100.00%	--	238,242,381,539	238,276,260,624
PT Kemuning Satiatama and subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,329,575,466	233,361,108,783
PT Megachandra Karyalestari	Jakarta	Trading	--	100.00%	1992*	283,171,674	284,019,258
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	569,474,944	573,438,194
PT Sentrakharisma Indah and subsidiary	Jakarta	Services	--	100.00%	--	2,171,594,120	2,173,711,120
PT Sentra Goldhill Business Park	Jakarta	Services		90.00%	--	--	--
PT Carakatama Dirgantara and subsidiary	Jakarta	Trading	--	100.00%	--	68,923,066,067	69,834,348,222
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	68,908,990,902	69,812,701,335
PT Ariasindo Sejati and subsidiaries	Jakarta	Trading and Services	--	95.00%	--	182,440,215,774	191,748,810,171
PT Unitech Prima Indah and subsidiary	Tangerang	Real Estate	--	94.69%	2004	189,416,530,150	192,761,131,922
PT Karya Cipta Pesona	Medan	Accomodation service provider	--	94.69%	2014	68,932,342,486	74,896,938,111
PT Puri Istana Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	647,400,000	584,000,000
PT Metropolitan Leisure Corporation and subsidiaries	Jakarta	Trading and Services	--	100.00%	--	38,834,979,960	41,557,718,775
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	139,767,149	137,598,822
PT Graha Tata Cemerlang Makassar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	35,542,419,390	38,655,688,284
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	257,117,145	201,928,602
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003	2,895,674,245	2,561,472,245
PT Karunia Persada Raya and subsidiary	Tangerang	Trading	--	100.00%	--	86,368,298,496	77,299,339,376
PT Pendopo Niaga	Malang	Real Estate	--	100.00%	2004	86,368,298,496	77,299,339,376
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	19,730,420	20,762,420
PT Bathara Brahma Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*	4,790,614,247	4,795,177,427
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	344,735,579	349,690,497
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	113,543,879	114,474,044
PT Karunia Alam Damai and subsidiary	Jakarta	Trading	--	100.00%	--	203,190,705,028	196,663,052,126
PT Jagatpertala Nusantara	Depok	Real Estate	--	100.00%	2004	203,190,705,028	196,663,052,126
PT Muliamukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	--	1,321,000
PT Kemang Village and subsidiaries	Jakarta	Trading	--	100.00%	--	281,636,959,741	279,875,638,597
PT Menara Bhumimegah and subsidiaries	Jakarta	Services	--	100.00%	2005	183,324,266,430	189,377,390,443
PT Jaya Usaha Prima and subsidiary	Jakarta	Real Estate	--	99.90%	--	118,223,401,559	104,335,643,396
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	118,221,429,559	104,333,671,396
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	98,826,140,559	91,009,848,574
PT Menara Perkasa Megah and subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	501,976,724,625	496,292,902,223
PT Pelangi Cahaya Intan Makmur and subsidiaries	Surabaya	Trading	--	85.00%	--	412,311,793,261	405,866,682,928
PT Surya Mitra Jaya and subsidiary	Sidoarjo	Trading and Services	--	85.00%	2005	391,444,673,035	405,902,441,099
PT Citra Harapan Baru	Surabaya	Accomodation	--	87.50%	--	2,000,000,000	2,000,000,000
PT Niaga Utama	Jakarta	Trading	--	100.00%	--	100,750,000	100,750,000
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--	1,887,217,700	1,887,217,700
PT Kreasi Megatama Gemilang and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Industri, Agrobisnis, Transportation, Trading and Services	--	100.00%	--	1,004,411,143,767	779,553,625,206
PT Lippo Malls Indonesia and subsidiaries (2.73% ownership in PT Lippo Cikarang Tbk)	Tangerang	Services	--	100.00%	2002	1,012,073,038,335	779,806,682,710
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	5,494,973,738	4,186,335,003
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	79,581,597,600	79,453,666,600
PT Mulia Citra Abadi and subsidiaries	Yogyakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	2012	498,831,588,231	345,113,361,598
PT Muliacipta Sarana Sukses [1])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	--
PT Manunggal Megah Serasi [1])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Andhikarya Sukses Pratama [1])	Yogyakarta	Trading Development, Printing, Agriculture, and Services	--	100.00%	--	600,000,000	--
PT Nusa Bahana Semesta [2])	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Sky Parking Indonesia and subsidiaries [2])	Tangerang	Development, Trading and Services	--	100.00%	--	43,855,908,044	21,000,000,000
PT Sky Parking Nusantara and subsidiary [1])	Tangerang	Development, Trading and Services	--	70.00%	--	43,855,233,044	--
PT Sky Parking Utama [1])	Tangerang	Development, Trading and Services	--	70.00%	2015	43,853,632,333	--
PT Gayana Sumber Cipta and subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	709,550,000	737,150,000
PT Gaharu Alam Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	552,550,000	4,501,044,310
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	552,550,000	578,150,000
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--	559,800,000	586,400,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	550,950,000	5,046,378,129
PT Lembayung Karya Nirwana	Jakarta	Development, Trading and Services	--	100.00%	--	559,550,000	577,150,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	559,550,000	587,150,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	251,476,498,945	251,058,661,491
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	100.00%	--	1,303,083,288	458,647,840
PT Usahautama Kreatif [1])	Tangerang	Trading, Development, Industry, Argiculture, Land Transportation and Services	--	100.00%	--	600,000,000	--
PT Saputra Karya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Surabaya	Real Estate and Urban Development	--	100.00%	--	124,395,714,267	102,500,564,787
PT Grand Provita and subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	464,646,900	473,106,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	5,348,100	7,298,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	14,122,400	16,667,400
PT Anugerah Bahagia Abadi and subsidiaries	Jakarta	Real Estate	--	100.00%	--	527,642,541,736	426,465,498,672
PT Internusa Prima Abadi	Jakarta	Real Estate	--	85.00%	--	527,639,590,865	1,013,883,079
PT Bangun Bina Bersama and subsidiary	Jakarta	Real Estate	--	85.00%	--	527,154,073,365	426,462,547,802
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	85.00%	--	157,058,282,729	117,835,814,312
PT Mahakaya Abadi	Tangerang	Real Estate	--	100.00%	--	477,345,600	478,623,100
PT Persada Mandiri Dunia Niaga and subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk	Jakarta	Real Estate	--	100.00%	--	--	84,216,800,553
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--	4,950,000,000	4,950,000,000
PT Gapura Sakti Prima and subsidiaries	Jakarta	Real Estate	--	100.00%	--	69,175,797,596	69,231,905,196
PT Menara Megah Tunggal and subsidiary	Jakarta	Real Estate	--	100.00%	--	69,040,432,223	69,095,997,694
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	68,870,925,808	68,923,453,279
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--	522,480,130	1,181,225,795
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	645,075,000	575,175,000
PT Direct Power and subsidiaries	Bogor	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	2007	125,337,920,962	124,629,800,619
PT Mitra Mulia Kreasi and subsidiary	Jakarta	Development, Industri, Mining, Agrobisnis, Transportation Trading and Services	--	80.00%	--	42,679,605,288	41,971,484,946
PT Bellanova Country Mall	Bogor	Development, Transportation Trading and Services	--	80.00%	2005	42,589,675,288	41,881,554,945
PT Tirta Sentosa Dinamika [1])	Tangerang	Trading, Development, Printing, and Services	--	100.00%	--	600,000,000	--
PT Pinus Permai Sejahtera [1])	Cianjur	Trading, Development, Printing, and Services	--	100.00%	--	15,762,983,041	--
PT Emas Makmur Cemerlang and subsidiary	Jakarta	Trading, Development, Printing, and Services	--	100.00%	--	10,887,100,000	--
PT Guna Sejahtera Karya	Jakarta	Development, Industri, Agrobisnis, Pertamanan Trading and Services	--	100.00%	--	427,127,204,143	403,656,624,893
PT Sarana Global Multindo and subsidiaries	Jakarta	Development, Transportation, Perdagangan and Services	--	100.00%	--	575,157,607,960	355,465,506,039
PT Citra Sentosa Raya and subsidiaries	Jakarta	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	--	572,547,649,912	516,676,784,304

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Gading Nusa Utama	Jakarta	Trading, Development, Industri, Agrobisnis, Pertamanan and Services	--	100.00%	--	19,076,707,333	27,300,259,404
Rosenet Limited**** and subsidiary	British Virgin Island	Investment	--	100.00%	--	571,054,888,841	546,201,825,184
Sea Pejaten Pte. Ltd****	Singapore	Investment	--	100.00%	--	44,650,214,701	546,201,825,184
Continental Investment Limited****	Malaysia	Investment, Trading and Services	--	100.00%	--	28,739,537	25,916,625
PT Sandiego Hills Memorial Park and subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	596,305,567,169	448,980,687,326
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	80,393,041,067	68,225,906,669
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	581,730,437	582,762,161
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,455,091,000	2,458,223,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Public Service	--	100.00%	--	2,579,391,024	2,216,817,102
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Alona Griya Utama and subsidiary	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,936,565,421	1,673,963,537
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	60.00%	--	4,918,797,508	1,748,962,537
PT Kreasi Ciptaprima Gemilang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	73,000,000	100,000,000
PT Manikam Mutu Prima and subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	60,251,000	674,251,000
PT Holland Village Manado [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	69,200,000	71,000,000
PT Wismacahaya Sentosa Megah [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Ciptaindah Selaras Persada [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Asri Griya Terpadu and subsidiary [1])	Tangerang	Development, Trading, Printing and Services	--	85.00%	--	49,990,000,000	--
PT Asri Griya Utama [2])	Tangerang	Development, Trading, Printing and Services	--	85.00%	--	1,673,497,537	600,000,000
PT Cakrawala Semesta Abadi [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	586,232,000	600,000,000
PT Sarana Sentosa Propertindo [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	6,938,039,595	600,000,000
PT Bahana Megah Pratama and subsidiary [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	600,000,000
PT Bahana Perisai Abadi [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	567,349,935	600,000,000
PT Cahaya Puspita Raya [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,350,000	600,000,000
PT Karyaalam Indah Lestari [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Prakarsa Dinamika Unggul [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Setra Bumi Utama [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	588,000,000	--
PT Taruna Multi Utama [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,979,500,000	--
PT Puri Istana Megah [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	647,400,000	--
PT Grahatama Asri Makmur	Tangerang	Development, Trading, and Services	--	100.00%	--	624,583,288	915,147,840
PT Lippo Cikarang Tbk and subsidiaries	Bekasi	Real Estate	--	54.37%	1989	5,476,757,336,509	4,390,498,820,383
PT Great Jakarta Inti Development and subsidiary	Bekasi	Town Development and Real Estate	--	54.37%	1992	399,691,712,048	166,167,908,743
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	17,649,902,438	18,106,103,848
PT Tunas Pundi Bumi	Bekasi	Town Management	--	54.37%	2010	69,213,327,034	220,879,340,910
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,768,406,656	26,675,274,843
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	611,000,223	574,166,188
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	3,848,349,610	8,905,263,816
PT Chandra Mulia Adhidharma	Bekasi	Property Management	--	54.37%	2011	26,037,970,359	47,947,330,121
PT Tirta Sari Nirmala	Bekasi	Water Treatment	--	54.37%	2011	35,608,402,065	70,243,590,666
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2014	197,446,696,592	504,659,575,649
PT Swadaya Teknopolis dan and subsidiaries	Bekasi	Real Estate	--	54.37%	2009	170,100,001,000	250,000,000
Premium Venture International Ltd and subsidiary	British Virgin Island	Investment		54.37%	2015	167,426,688,280	--
Intellitop Finance Ltd	British Virgin Island	Investment		28.12%	2014	374,224,622,985	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2014	147,982,000	147,982,000
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009	3,432,732,840	3,432,732,840
PT Cahaya Ina Permai and subsidiaries	Bekasi	Real Estate	--	54.37%	--	279,139,052,611	85,140,741,861
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services dan Jasa	--	54.37%	--	31,696,793,617	27,801,089,340
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	598,003,173	592,353,788
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	2015	49,734,869,396	18,632,125,396
PT Mega Kreasi Teknika	Bekasi	Building Construction	--	54.37%	--	155,198,464	262,498,497
PT Astana Artha Mas	Tangerang	Real Estate	--	54.37%	--	155,665,273,863	132,773,308,048
PT Mega Kreasi Nusantara Teknologi	Bekasi	Real Estate	--	54.37%	--	3,000,000,000	3,000,000,000
PT Pondera Prima Sarana	Tangerang	Real Estate	--	54.37%	--	14,086,542,000	123,200,000
PT Telaga Banyu Murni and subsidiary	Tangerang	Real Estate	--	54.37%	--	42,052,164,000	162,200,000
PT Karimata Alam Damai	Tangerang	Real Estate	--	54.37%	--	55,921,151,800	41,950,330,000
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	--	9,992,431,270	2,979,317,511
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	--	102,125,875,000	500,000,000
PT Megakreasi Cikarang Asri [2)]	Bekasi	Real Estate	--	40.78%	2015	33,000,800,000	33,000,800,000
PT Megakreasi Propertindo Utama [2)]	Bekasi	Real Estate	--	40.78%	--	67,627,567,693	33,000,817,000
PT Megakreasi Cikarang Realtindo [1)]	Bekasi	Development, Trading, and Services	--	54.37%	--	7,399,897,925	--
PT Mahkota Sentosa Utama [1)]	Bekasi	Marketing and Building Management		54.37%	--	1,250,000,000	--
PT Megapratama Karya Persada and subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	5,142,753,364,187	5,041,931,170,285
PT Siloam International Hospitals Tbk and subsidiaries	Tangerang	Healthcare Service	--	70.82%	2010	2,986,270,148,106	2,846,213,517,906
PT Aritasindo Permaisemesta	Jakarta	Trading, Development, Mining, Agriculture Land Transport, Printing and Industry	--	70.82%	--	76,559,368	78,124,746
PT Perdana Kencana Mandiri	Jakarta	Industry Development, Trading, Land Transport, Workshops, Printing, Agriculture, Mining and Services	--	70.82%	--	600,000	520,403,206
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	70.82%	--	9,138,115	448,067,441
PT Nusa Medika Perkasa	Jakarta	Healthcare Service.	--	57.79%	--	932,687,770	926,687,462
PT Siloam Graha Utama and subsidiary	Jakarta	Development, Transportation, Trading and Services	--	70.82%	--	118,401,195,607	142,511,589,460
PT East Jakarta Medika	Bekasi	Healthcare Service,	--	64.30%	2002	118,394,342,094	142,492,350,947
PT Guchi Kencana Emas and subsidiary	Jakarta	Development, and Services	--	70.82%	--	81,070,295,372	88,570,503,605
PT Golden First Atlanta	Jambi	Healthcare and Pharmacy Trading,	--	58.78%	2008	81,068,056,854	88,539,839,436
PT Prawira Tata Semesta and subsidiary	Jakarta	Trading, Development, Industry, Mining, Land Transportation, Agriculture, Printing, Workshop and Services except Services of Legal and Tax	--	70.82%	--	228,123,139,722	237,404,060,017
PT Balikpapan Damai Husada	Balikpapan	Healthcare including Hospital, Clinic, Health Centre, Polyclinic and Other related Services	--	56.37%	2007	188,952,720,833	198,183,010,595
PT Siloam Emergency Services	Tangerang	Healthcare Services	--	70.82%	2013	2,611,998,278	2,624,415,127
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	--	70.82%	2013	3,469,450,033	2,177,323,630
PT Pancawarna Semesta and subsidiary	Tangerang	Trading, Development, Printing and Services	--	70.82%	--	66,955,366,327	70,026,074,020
PT Diagram Healthcare Indonesia	Depok	Healthcare Services	--	56.66%	2006	36,398,484,767	39,467,645,852
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Development, Printing and Services	--	70.82%	--	1,012,776,138	995,085,833
PT Brenada Karya Bangsa	Tangerang	Trading, Development, Printing and Services	--	70.82%	--	594,998,333	605,403,333
PT Harmoni Selaras Indah	Tangerang	Trading, Industry Printing and Services	--	70.82%	--	594,665,000	597,340,833
PT Kusuma Prima dana and subsidiaries	Tangerang	Trading, Industry Printing	--	70.82%	--	144,519,575,447	102,195,707,668
PT Adijaya Buana Sakti and subsidiaries	Tangerang	Trading Industry Workshop Land Transportation, Printing and Services	--	56.66%	--	144,518,510,447	102,188,966,835
PT Siloam Sumsel Kemitraan and subsidiary	Tangerang	Trading, Industry and Services	--	69.66%	--	7,991,123,670	8,003,625,337
PT RS Siloam Hospital Sumsel	Palembang	Healtcare Services	--	61.86%	2012	145,516,091,499	103,163,599,553
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	70.82%	--	1,000,970,300	1,017,232,500

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	70.82%	--	594,665,000	597,153,333
PT Sembada Karya Megah	Tangerang	Trading, Industry and Services	--	70.82%	--	602,666,157	617,340,833
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	70.82%	--	594,665,000	597,340,833
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	70.82%	--	4,984,948,333	4,993,540,833
PT Tunggal Pilar Perkasa and subsidiaries	Tangerang	Development, Trading, Real Estate, Printing, Industry, Agribusiness, and Services	--	70.82%	--	1,104,842,861,746	902,863,440,805
PT Tirtasari Kencana	Serang	Development, Trading, and Services	--	70.82%	--	1,129,177,218	1,130,696,718
PT Gramari Prima Nusa	Medan	Development, Trading, and Services	--	70.82%	2014	142,285,912,947	130,585,488,531
PT Krisolis Jaya Mandiri	Kupang	Healtcare Services	--	70.82%	2014	135,816,231,542	69,331,687,626
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	70.82%	--	7,186,262,922	7,199,648,894
PT Agung Cipta Raya	Tangerang	Healtcare Services	--	70.82%	--	964,225,000	972,630,000
PT Bina Cipta Semesta	Padang	Healtcare Services	--	70.82%	--	998,898,474	1,012,427,500
PT Mega Buana Bhakti	Bangka	Trading, Industry and Services	--	70.82%	--	6,289,590,225	5,982,333,520
PT Taruna Perkasa Megah	Yogyakarta	Trading, Industry and Services	--	70.82%	--	96,121,791,102	19,014,504,078
PT Tataka Bumi Karya	Bogor	Trading, Industry and Services	--	70.82%	--	845,251,870	610,452,500
PT Tataka Karya Indah	Bandung	Trading, Industry and Services	--	70.82%	--	825,433,327	837,254,382
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry and Services	--	70.82%	--	12,240,837,850	3,388,608,668
PT Koridor Usaha Maju and subsidiaries	Tangerang	Development, Trading, Printing and Services	--	70.82%	--	480,847,930,537	458,363,437,079
PT Medika Sarana Traliansia and subsidiary	Bali	Development, Trading, Printing and Services	--	70.82%	2008	266,476,908,793	256,054,381,752
PT Trisaka Raksa Waluya	Tangerang	Healthcare and Other related Services	--	70.82%	2008	137,390,081,888	132,956,917,983
PT Buana Utama Sejati [2])	Tangerang	Healthcare Sevice	--	70.82%	--	23,370,843,650	16,312,100,196
PT Sentra Sejahtera Utama[2])	Sorong	Healthcare Sevice	--	70.82%	--	600,000,000	600,000,000
PT Bumi Unggul Persada	Tangerang	Healthcare Sevice	--	70.82%	--	641,265,124	--
PT Berlian Cahaya Indah	Tangerang	Healthcare Sevice	--	70.82%	2014	138,001,094,698	45,004,044,700
PT Rashal Siar Cakra Medika	Jakarta	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	2008	59,415,242,800	53,352,264,266
PT Mulia Pratama Cemerlang [2])	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	2014	3,679,309,300	600,000,000
PT Medika Rescue International [2]) (formerly PT Karya Pesona Cemerlang)	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	878,649,715	600,000,000
PT Indah Kemilau Abadi [2])	Jember	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	657,128,900	600,000,000
PT Persada Dunia Semesta [2])	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	2,349,333,094	600,000,000
PT Inti Pratama Medika [2])	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	600,363,000	600,000,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2015 Rp	2014 Rp
PT Sentra Sehat Sejahtera [2])	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	878,649,715	600,000,000
PT Genta Raya Internusa [2])	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Trasportation	--	70.82%	--	600,388,000	600,000,000
PT Sembilan Raksa Dinamika [2])	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	54,795,114,119	600,000,000
PT Saritama Mandiri Zamrud [2])	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera [2])	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal [2])	Tangerang	Health Center, Clinic, Polyclinic and Other related Services	--	70.82%	--	600,000,000	600,000,000
PT Mahkota Buana Selaras	Tangerang	Development, Trading, Printing, and Services	--	70.82%	--	37,690,051,627	38,623,709,806
PT Bumi Unggul Persada [1])	Tangerang	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	641,265,124	--
PT Lintas Buana Jaya [1])	Manggarai Barat	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	9,886,018,026	--
PT Bina Bahtera Sejati [1])	Bau Bau	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	600,000,000	--
PT Lintang Laksana Utama [1])	Lubuk Linggau	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	600,000,000	--
PT Ciptakarya Tirta Cemerlang [1])	Tangerang	Health Center, Clinic, Polyclinic and Other Related Services	--	70.82%	--	600,000,000	--
PT Eramulia Pratamajaya and subsidiaries	Jakarta	Healthcare Service	99.99%	0.01%	--	1,215,478,000,217	1,075,613,293,094
PT Pradamas Graha Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	76,552,500	71,102,500
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	373,898,296,232	381,154,412,415
PT Sentra Tata Prima	Surabaya	Development, Transportation, Trading, and Services	--	100.00%	--	3,357,430,094	3,365,647,721
PT Sentra Sarana Karya (formerly PT Siloam Sarana Karya)	Makassar	Development, Transportation, Trading, and Services	--	100.00%	--	3,357,064,837	3,239,776,633
PT Sarana Dinamika Perkasa (formerly PT Siloam Dinamika Perkasa)	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	133,833,329,993	135,684,650,111
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading, and Services	--	100.00%	--	7,397,737,370	7,397,737,370
PT Buana Mandiri Selaras	Jakarta	Development and Services		100.00%	--	472,605,668,559	489,542,770,676
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining	0.01%	99.99%	--	3,613,672,920	19,805,000
PT Kalanusa Intan Cemerlang and subsidiary	Tangerang	Trading, Development Printing and Services	--	100.00%	--	4,259,900,000	4,259,900,000
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Cahaya Jaya Raya [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Waluya Graha Loka [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	135,848,491,259	600,000,000
PT Nusantara Indah Semesta [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	22,996,589,617	600,000,000
PT Magenta Sinar Abadi [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pesona Puspita Gemilang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Caraka Cipta Sejahtera [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentra Mutiara Timur [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Tiara Permata Gemilang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Berkat Talenta Unggul [1])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2015 Rp	Total Assets 2014 Rp
PT Laskar Unggulan Prima ¹)	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentana Prima Jaya ¹)	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Buana Digdaya Sejahtera ¹)	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Abadi Jaya Sakti and subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	577,031,300
PT Tigamitra Ekamulia and subsidiaries	Jakarta	General	0.01%	99.99%	1998*	520,920	520,920
PT Shimatama Graha	Jakarta	Restaurant, Café and Catering	--	100.00%	1989	10,788,591,967	5,841,821,996
PT Aryaduta International Management and subsidiaries	Jakarta	Hotel Management	--	100.00%	1998	10,788,591,967	13,376,094,582
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	583,898,000	588,906,447
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	565,890,500	588,878,000
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	17,958,309,858	22,947,378,366
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	577,200,000	593,327,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	4,494,236,472	3,156,413,733
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	580,506,500	581,740,500
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Lippo Hotel Indonesia and subsidiaries	Tangerang	Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Aryaduta Kuta Bali	Badung	Tourism	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Gemerlap Abadi ²)	Tangerang	Pembangunan, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Lippo Horesi Indonesia	Tangerang	Development, Trading, and Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Mega Indah Gemilang and subsidiaries ¹)	Tangerang	Trading, Development, Industry, Printing and Services	99.99%	0.01%	--	20,000,000,000	--
PT Karyaindah Cipta Prima ¹)	Tangerang	Trading, Development, Industry, Printing and Services	0.01%	99.99%	--	600,000,000	--
PT Sunshine Prima Utama and subsidiary ¹)	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	--	20,000,000,000	--
PT Sunshine Food International ¹)	Tangerang	Trading, Development, Industry, Printing and Services	--	100.00%	--	20,000,000,000	--
PT Kreasi Tunas Bangsa	Tangerang	Development, Trading and Services	--	100.00%	--	1,203,833,288	894,398,840
PT Maxx Food Pasifik ¹)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Graha Jaya Pratama and subsidiaries	Tangerang	Real Estate	100.00%	--		1,788,869,823,183	1,596,229,076,687
PT Tataguna Cemerlang	Jakarta	Trading Real Estate and Development,	--	100.00%	--	100,000,000	100,000,000
PT Aresta Amanda Lestari (0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	1,777,668,968	1,048,135,730
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	19,461,698,851	11,737,065,174
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	26,690,706,052	15,697,407,503
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	25,866,693,677	15,206,784,862
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	19,459,862,937	11,448,214,800
PT Nuansa Indah Lestari and subsidiaries	Jakarta	Trading	--	100.00%	--	217,811,741,232	142,252,148,482
PT Metropolitan Permaisemesta and subsidiaries	Jakarta	Trading	--	89.74%	--	221,477,872,332	142,233,500,582
PT Mulia Sarana Sakti	Makassar	Trading	--	89.74%	--	512,000,000	512,000,000
PT Makassar Permata Sulawesi (32.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	89.74%	--	216,808,561,954	138,073,158,204
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	77,56%	--	680,755,162,289	578,018,813,753
PT Gowa Makassar Tourism Development Tbk and subsidiaries	Makassar	Real Estate	4.92%	49.05%	1997	1,273,990,253,786	1,524,317,216,546
PT Kenanga Elok Asri and subsidiaries	Tangerang	Development, Trading, Printing and Services		53.97%	--	252,178,148,189	580,527,450,840
PT Krisanta Esa Maju	Tangerang	Development, Trading, Printing and Services	--	53.97%	--	1,074,461,825	99,849,158
PT Griya Megah Sentosa	Makassar	Development, Trading, Printing and Services	--	53.97%	--	7,158,510,233	2,389,906,938
PT Griya Eksotika Utama	Tangerang	Development, Trading, Printing and Services	--	53.97%	--	178,369,707	193,879,903

* *Liquidated*
** *Transferred*
*** *Functional Currency is USD*
**** *Functional Currency is SGD*
¹) *Established in 2015*
²) *Established in 2014*

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, disposed 82,500,000 shares ownership in PT Siloam International Hospitals Tbk, a subsidiary, at Rp858,000,000,000. Upon the disposal, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp741,092,494,948 (see Note 32).

On May 12, 2014, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired all ownership in PT Anugerah Bahagia Abadi (ABA) (through 99.99% direct ownership and 0.01% indirect ownership of PT Maharama Sakti (MS), with acquisition cost of Rp549,686,500,000. This transaction is a business combination (see Note 48).

On May 19, 2014, PT Primakreasi Propertindo (PKP), a subsidiary, acquired all ownership in PT Andromeda Sakti (AS) (through 99.83% direct ownership and 0.17% indirect ownership of PT Grand Villa Persada (GVP) with acquisition cost of Rp600,000,000. At the acquisition date, AS has not yet started operation and therefore, recorded as an asset acquisition.

On July 23, 2014, PT Tunggal Pilar Perkasa (TPP) and PT Mandiri Buana Selaras, subsidiaries, acquired 75% and 25% ownership in PT Rashal Siar Cakra Medika (RSCM), with acquisition cost of Rp78,540,426,657 and Rp26,180,142,219, respectively. This transaction is a business combination (see Note 48). RSCM has started its commercial operation since 2008.

On November 28, 2014, TPP, a subsidiary, acquired 20% share ownership in PT Medika Sarana Tralliansia from Steer Clear Limited with acquisition cost of Rp45,030,000,000. TPP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp25,748,354,393 (see Note 32).

On December 20, 2014, PT Manunggal Bumi Sejahtera and PT Sentra Realtindo Development, subsidiaries, acquired all ownership in PT Asiatic Sejahtera Finance (ASF), with acquisition cost of Rp80,000,000,000. This transaction is a business combination (see Note 48). ASF has started its commercial operation since July 2009.

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, subsidiaries, disposed 75,300,000 and 17,500,000, respectively, share ownership in SIH with the price Rp1,136,800,000,000. Upon the disposal, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp1,000,581,189,869 (see Note 32).

On February 12, 2015, WJP, a subsidiary, acquired 25% share ownership in PT Wahana Usaha Makmur (WUM) from PT Mahanaim with acquisition cost of Rp15,334,000,000. WJP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp43,851,181,695 (see Note 32).

On February 23, 2015, WJP, a subsidiary, acquired all ownership in PT Emas Makmur Cemerlang (EMC) (through 99.99% direct ownership and 0.01% indirect ownership of MS with acquisition cost of Rp11,000,000,000. At the acquisition date, EMC has not yet started operation and therefore, recorded as an asset acquisition.

On June 12, 2015, PT Kuta Beach Paragon (KBP) and PKP, subsidiaries, acquired 13.5% ownership in PT Graha Buana Utama (GBU) from PT Mahanaim with acquisition cost of Rp25,358,527,564 at the acquisition date, KBP and PKP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp22,988,443,294 (see Note 32).

On June 29, 2015, PT Swadaya Teknopolis (ST), a subsidiary, acquired 100% ownership in Premium Venture International Ltd (PVIL), with acquisition cost of Rp170,100,000,000. This transaction is a business combination (see Note 48). PVIL is the parent entity of Intellitop Finance Ltd with the ownership of 51.72%.

1.d. Board of Commissioners, Directors, Audit Committee and Employees

Based on Deeds of Extraordiniary General Meeting of Stockholders No. 30 dated July 3, 2015 and No. 10 dated April 23, 2014 which were made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the composition of the Board of Commissioners and Directors as of December 31, 2015 and 2014 are as follows:

		December 31, 2015	December 31, 2014
Board of Commissioners:			
President Commissioner	:	Theo L. Sambuaga	Theo L. Sambuaga
Vice President Commissioner	:	Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	:	--	Tanri Abeng
Independent Commissioner	:	Agum Gumelar	Agum Gumelar
Independent Commissioner	:	Farid Harianto	Farid Harianto
Independent Commissioner	:	Muladi	Muladi
Independent Commissioner	:	Sutiyoso	Sutiyoso
Commissioner	:	Gouw Viven (Viven G Sitiabudi)	Gouw Viven (Viven G Sitiabudi)
Commissioner	:	Tanri Abeng	Benny Haryanto Djie

* *also as Independent Commissioner*

The composition of the Directors as of December 31, 2015 and 2014 are as follows:

		December 31, 2015	December 31, 2014
Directors:			
President Director	:	Ketut Budi Wijaya	Ketut Budi Wijaya
Director	:	Tjokro Libianto	Tjokro Libianto
Director	:	Johanes Jany	Djoko Harjono*
Director	:	Rahmawaty	Rahmawaty
Director	:	Stephen Choo Kooi Yoon	Stephen Choo Kooi Yoon
Director	:	Ninik Prajitno	Ninik Prajitno
Unaffiliated Director	:	Jenny Kuistono	Jenny Kuistono
Unaffiliated Director	:	Alwi Sjaaf	--

* *Effective resign on September 15, 2014 as reported to OJK based on letter No. 117/LK-COS/VIII/2014 dated August 14, 2014*

The Audit Committee composition as of December 31, 2015 and 2014 are as follows:

Audit Commitee:		
Chairman	:	Muladi
Members	:	Herbudianto
	:	Achmad Kurniadi

The Company's Corporate Secretary as of December 31, 2015 and 2014 is Sri Mulyati Handoyo and Jenny Kuistono, respectively.

As of December 31, 2015 and 2014, the Group have 11,200 and 11,129 permanent employees, respectively (unaudited).

2. Summary of Significant Accounting Policies

2.a. Compliance with Financial Accounting Standards (SAK)

The consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (SFAS) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI), and regulations in the Capital Market include Regulations of Financial Sevices Authority/Capital Market and Supervisory Board and Financial Institution (OJK/Bapepam-LK) No. VIII.G.7 regarding guidelines for the presentation of financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statements of the issuer or public company.

2.b. Measurement and Preparation of Consolidated Financial Statements

The consolidated financial statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the consolidated statements of cash flows. Basis of measurement in preparation of these consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The consolidated financial statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is Indonesian Rupiah which is the functional currency of the Group. Each entity in the Group determines its own functional currency as disclosed in Note 1.c and items included in the financial statements of each entity are measured using that functional currency.

The following are new standards, amendments of standards and interpretation of standard issued by DSAK - IAI and effectively applied for the year starting on or after January 1, 2015, as follows:

- SFAS No. 1 (Revised 2013) “Presentation of Financial Statements”
- SFAS No. 4 (Revised 2013) “Separate Financial Statements”
- SFAS No. 15 (Revised 2013) “Investment in Associates and Joint Arrangements”
- SFAS No. 24 (Revised 2013) “Employee Benefits”
- SFAS No. 46 (Revised 2014) “Income Taxes”
- SFAS No. 48 (Revised 2014) “Impairment of Assets”
- SFAS No. 50 (Revised 2014) “Financial Instruments: Presentation”
- SFAS No. 55 (Revised 2014) “Financial Instruments: Recognition and Measurement”
- SFAS No. 60 (Revised 2014) “Financial Instruments: Disclosure”
- SFAS No. 65 “Consolidated Financial Statements”
- SFAS No. 66 “Joint Arrangements”
- SFAS No. 67 “Disclosure of Interests in Other Entities”
- SFAS No. 68 “Fair Value Measurement”
- IFAS No. 26 “Reassessment of Embedded Derivatives”

The following is the impact of the amendments in accounting standards that are relevant and significant to the consolidated financial statements of the Group among others:

- SFAS No. 1 (Revised 2013) “Presentation of Financial Statements”
  SFAS No. 1 (Revised 2013) sets changes in the format and revision of the title of the report. The significant impact of changes of this accounting standar to the Group, among others:
  - Change of report title which previously named “Statement of Comprehensive Income” become “Statement of Profit or Loss and Other Comprehensive Income”;
  - Requirement for the presentation of other comprehensive income to be grouped into (a). items that will not be reclassified to profit or loss; and (b). items that will be reclassified to profit or loss.

  This standard is applied retrospectively and therefore certain comparative information have been restated.

- SFAS No. 15 (Revised 2013) “Investment in Associates and Joint Arrangements”
  SFAS No. 15 (Revised 2009) “Investments in Associates” has been revised and re-titled into SFAS 15 (Revised 2013) “Investments in Associates and Joint Arrangements”. This standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

  It defines “significant influence”, provides guidance on how the equity method of accounting is to be applied and prescribes how investments in associates and joint ventures should be tested for impairment.

  The Group had adopted these standards and had completed the requested requirements.

- SFAS No. 24 (Revised 2013) "Employee Benefits"
  This SFAS amending some accounting provisions related to defined benefit plans. The key amendments include elimination of the "corridor approach", modification of accounting for termination benefits and improvement of the recognition, presentation and disclosure requirements for defined benefit plans.

  Amended provisions that impacting the Group's consolidated financial statements are as follows:
  a. the recognition of actuarial gains (losses) through other comprehensive income;
  b. all past service cost is recognized as an expense at the earlier of the date when the amendment/curtailment occurs or the date when the entity recognizes related restructuring costs or termination benefits. Therefore the unvested past service cost is no longer be deferred and recognized over the vesting year; and
  c. interest expense and returns on plan assets used in the previous SFAS No. 24 is replaced by the concept of net interest, which is calculated using a discount rate liabilities (assets) net defined benefit as determined at the beginning of each annual reporting year.

  This amendments have been applied retrospectively (except for changes to the carrying value of assets that include employee benefit costs in the carrying amount) and the effect of the revised standard is presented in Note 3.

- SFAS No. 46 (Revised 2014) "Income Taxes"
  The revision in this SFAS emphasize on measurement of deferred tax on assets measured at fair value, assuming that the carrying amount of the assets will be recovered through sales. In addition, this standard also removes provision on final tax.

  The Group has reclassified the presentation of final income tax expense and comparative information has been restated accordingly (see Note 3).

- SFAS No. 48 (Revised 2014) "Impairment of Assets"
  Changes in SFAS No. 48 (Revised 2014), mainly to incorporate the changes in definition and requirements of fair value as governed in SFAS No. 68.

  The adoption of the revised standard had no material effect to the consolidated financial statements.

- SFAS No. 50 (Revised 2014) "Financial Instrument: Presentation", SFAS No. 55 (Revised 2014) "Financial Instrument: Recognition and Measurement", and SFAS No. 60 (Revised 2014) "Financial Instrument: Disclosures."

  The amendment of these standards mainly related to the changes as an impact the issuance of SFAS No. 68 concerning fair value.

  SFAS No. 50 (Revised 2014) removing arrangement of income tax related to dividend and will refer to SFAS No. 46. Furthermore, SFAS No. 50 (Revised 2014) provides more specific arrangement (application guidelines) related to the criteria for offsetting and net settlement of financial asset and financial liability.

  The changes in SFAS No. 55 (Revised 2014) deals with measurement and reclassification of embedded derivative, arrangement of criteria and derecognition of hedging instrument, and arrangement of date of recording financial instrument.

  SFAS No. 60 (Revised 2014) deals with additional disclosures relates to the fair value, offsetting financial asset and liability, and transfers of financial assets.

  The Group had adopting these standards and had completed the required disclosures requirements.

- SFAS No. 65 “Consolidated financial statements”
  This standard replaces all of the guidance on control and consolidation in SFAS No. 4 (Revised 2009) and IFAS No.7. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the consolidation procedures.

  SFAS No. 65 introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure / rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns.

  The new standard also includes guidance on participating and protective rights and on agent - principal relationships.

  The adoption of the SFAS No. 65 has no impact to the consolidated financial statements upon initial adoption, as its scope of consolidation remains unchanged.

- SFAS No. 66 “Joint Arrangement”
  This standard (that replaces SFAS No 12 (revised 2009) and ISAK No. 12) introduces terminology “joint arrangement”. This standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations, and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures. This standard also remove selection of proportionate consolidation method.

  The group had adopted this standard and comparative information has been restated accordingly (see Note 3).

- SFAS No. 67 “Disclosure of Interests in Other Entities”
  SFAS No. 67 combines, enhances, and replaces the disclosure requirements for subsidiaries, joint arrangements, associates, and unconsolidated structured entities. This standard requires the Group to disclose information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on Group’s consolidated financial statements.

  The application of this standard has resulted in more extensive disclosures in the Group’s consolidated financial statements.

- SFAS No. 68 “Fair Value Measurement”
  SFAS No. 68 defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. SFAS No.68 applies when other FAS require or permit fair value measurements

  The Group has completed the disclosures requirement as required under this standard.

2.c. Principles of Consolidation

The consolidated financial statements include financial statement of the Company and subsidiaries as stated in Note 1.c.

A subsidiary is an entity controlled by the Group, i.e., the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity’s relevant activities (power over the investee).

The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (i.e., substantive rights) are considered when assessing whether the Group controls another entity.

The Group's consolidated financial statements incorporate the results, cash flows, assets and liabilities of the Company and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Group effectively obtains control of the acquired business, until that control ceases.

A parent prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. All intragroup transactions, balances, income, expenses and cash flows are eliminated in full on consolidation to reflect the financial position as a single business entity.

The Group attributed the profit and loss and each component of other comprehensive income to the owners of the parent and non-controlling interest even though this results in the non-controlling interests having a deficit balance. The Group presents non-controlling interest in equity in the consolidated statement of financial position, separately from the equity owners of the parent.

Changes in the parent's ownership interest in a subsidiary that do not result in loss of control are equity transactions (i.e., transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, the Group adjusted the carrying amounts of the controlling interest and non-controlling interest to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

If the Group loses control, the Group:
(a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
(b) Derecognizes the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);
(c) Recognizes the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;
(d) Recognizes any investment retained in the former subsidiary at fair value at the date when control is lost;
(e) Reclassify to profit or loss, or transfer directly to retained earnings if required by other SAKs, the amount recognized in other comprehensive income in relation to the subsidiary;
(f) Recognizes any resulting difference as a gain or loss attributable to the parent.

2.d. Transaction and Balances in Foreign Currency

In preparing financial statements, each of the entities within the Group record by using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company and most of the subsidiaries is Rupiah.

The functional currency of Subsidiaries in foreign currency (see Note 1.c). For presentation purposes of consolidated financial statements, assets and liabilities of Subsidiary Pte. Ltd at reporting date are translated at the closing rate at statement of financial position date, while revenues and expenses are translated using average rate for the year. All resulting exchange differences shall be recognized in other comprehensive income.

Transactions during the year in foreign currencies are recorded in Rupiah by applying to the foreign currency amount the spot exchange rate between Rupiah and the foreign currency at the date of transactions. At the end of reporting year, foreign currency monetary items are translated to Rupiah using the closing rate, i.e., middle rate of Bank of Indonesia at December 31, 2015 and 2014 as follows:

	2015 Rp	2014 Rp	2013 Rp
1 USD	13,795	12,440	12,189
1 SGD	9,751	9,422	9,628

	2015 Rp	2014 Rp	2013 Rp
1 EUR	15,070	15,133	16,821
100 JPY	11,452	10,425	11,617
1 AUD	10,064	10,218	10,876

Exchange differences arising on the settlement of monetary items or on translating monetary items in foreign currencies are recognized in profit or loss.

2.e. Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, cash in banks (demand deposits) and time deposits with maturity period of three months or less at the time of placement that are not used as collateral or are not restricted.

2.f. Investment in Associates

Associates are entities which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies (significant influence).

Investment in associates accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognised in profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income, including those arising from the revaluation of property and equipment and from foreign exchange translation differences.The investor's share of those changes is recognized in other comprehensive income.

The Group discontinues the use of the equity method from the date when its investment ceases to be an associate as follows:

(a) if the investment becomes a subsidiary.

(b) If the retained interest in the former associate is a financial asset, the Group measure the retained interest at fair value.

(c) When the Group discontinue the use of the equity method, the Group account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

2.g. Joint Arrangement

Joint arrangement is an arrangement of which two or more parties have joint control, i.e., the contractually agreed sharing of control of an arrangement, which exist only when decisions about the relevant actvities require the unanimous consent of the parties sharing control.

The Group classified joint arrangement as:

(1) Joint Operation

Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operator.

A joint operator recognize in relation to its interest in a joint operation:

(a) Its assets, including its share of any assets held jointly;
(b) Its liablities, including its share of any liabilities incurred jointly;
(c) Its revenue from the sale of its share of the output arising from the joint operation;
(d) Its share of the revenue from the sale of the output by the joint operation; and
(e) Its expenses, including its share of any expenses incurred jointly.

(2) Joint Venture
Represents joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

A joint venturer recognize its interest in a joint venture as an investment and account for that investment using the equity method.

2.h. Transaction and Balances with Related Parties

A related party is a person or an entity that is related to the reporting entity:

(a) A person or a close member of that person's family is related to a reporting entity if that person:
   (i) has control or joint control over the reporting entity;
   (ii) has significant influence over the reporting entity; or
   (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of following conditions applies:
   (i) The entity and the reporting entity 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 a third entity and the other entity is an associate of the third entity;
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
   (vi) The entity is controlled or jointly controlled by a person identified in (a); or
   (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 a parent of the entity).

All transactions and significant balances with related parties are disclosed in relevant Notes.

2.i. Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping center, residential houses, shophouses, office buildings, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

Land for future development of the Group is classified as "Land for Development". Upon the commencement of development and construction of infrastructure, the carrying costs of land will be reclasified to the respective inventory real estate, investment property or property and equipment accounts, whichever is appropriate.

The excess of carrying value of inventories over their estimated recoverable value is recognized as impairment loss under "Provision for Decline in Value of Inventories" in profit or loss.

Inventories of healthcare business (e.g., medicines, medical supplies and others) are carried at the lower of cost and NRV. Cost is determined by using the average method.

Inventories of hospitality business (e.g., food, beverages and others) are carried at the lower of cost and NRV. Cost is determined by using the first-in-first-out method. Allowance for decline in inventory value is provided based on a review of inventory status at the end of year.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs.

The amount of any write-down of inventories to NRV and all losses of inventories shall be recognised as an expense in the year the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in NRV, is recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

2.j. Prepaid Expenses
Prepaid expenses are amortized over the period benefitted using straight line method.

2.k. Investment Property
Investment properties are properties (land or a building or part of a building or both) held by the owner or the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the daily business activities.

Investment property is recognised as an asset if, and only if it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and the cost of the investment property can be measured reliably.

An investment property shall be measured initially at its cost, comprises its purchase price and any directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs). Transaction costs are included in the initial measurement.

After initial recognition, the Group choose to use cost model and measure its investment property at acquisition cost less accumulated depreciation and accumulated impairment losses if any.

Landrights are not depreciated and are carried at costs.

The cost of repairs and maintenance is charged to profit or loss as incurred while significant renovations and additions are capitalized.

Transfer to investment properties if, and only if, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development.

Transfer from investment properties if, and only if, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in operation in the period derecognition or disposal.

2.l. Property and Equipment
Property and equipment are initially recognized at cost, which comprises its purchase price and any cost directly attributable in bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

When applicable, the cost may also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular year for purposes other than to produce inventories during that year.

After initial recognition, property and equipment, except land, are carried at its cost less any accumulated depreciation, and any accumulated impairment losses, if any.

Lands are recognised at its cost and are not depreciated.

Depreciation of property and equipment starts when its available for use and its computed by using straight line method based on the estimated useful lives of assets as follows:

	Year
Building, Infrastructure, and Renovations	4 - 40
Parks and Interiors	5
Golf Course and Club House	20
Transportation Equipment and Vehicles	4 - 8
Furniture, Fixtures and Office Equipment	3 - 10
Tools and Medical Equipment	3 - 10
Machinery and Project Equipment	3 - 10
Bowling Machinery	10
Playground Areas	5

The cost of repairs and maintenance is charged to operation as incurred while significant renovations and additions are capitalized. The carrying value of the part replaced was written-off.

Own built property and equipment is presented as part of property and equipment as “Construction in Progress” and is stated at cost. All cost incurred related to the contruction of such assets is caplitalized as part of cost of constroction in progress.

The accumulated costs will be transferred to the respective property and equipment items at the time the asset is completed or ready for use and are depreciated since the operation.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized. At the end of each financial year, the Group reviews useful life residual values, and methods of depreciation, and the remaining useful life based on technical condition.

2.m. Leases

Determination of whether a lease agreement or an agreement containing with a lease is a finance lease or an operating lease depends on the substance of transaction rather than the form of the contract at the inception date.

A lease is classified as finance operating leases if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

<u>The Group as lessees:</u>
At the commencement of the lease term under finance lease, the Group recognized assets and liabilities in their statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is practical to determine, if not, the lessee’s incremental borrowing rate is used. Initial direct cost of the lessee are added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Group recognizes lease payments as an expense on a straight line basis over the lease term.

<u>The Group as lessors:</u>
Group recognizes assets under a finance lease as a receivable in the statement of financial position at an amount equal to the net investment in the lease. Collection of lease receivable is treated as principal payments and finance income. The recognition of finance income is based on a pattern reflecting a constant yearic rate of return on Group's net investment in the finance lease as lessor.

Group presents assets subject to operating leases in the statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Contingent rents, if any, be recognized as income in the year incurred. Lease income from operating leases is recognized as revenue on a straight line basis over the lease term.

Sale and Leaseback:
Assets sold under a sale and leaseback transaction are accounted for as follows:

- If the sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized over the lease term.
- If the sale and leaseback transaction result in an operating lease and the transaction is established at fair value, any profit or loss is recognized immediately. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the year for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortized over the year for which the asset is expected to be used.

2.n. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred. Borrowing costs may include interest expense, finance charges in respect of finance leases, or exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Capitalization of borrowing costs commences when the Group undertakes activities necessary to prepare the asset for its intended use or sale and expenditures for the asset and its borrowing costs has been incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

2.o. Impairment of Assets

At the end of each reporting year, the Group assess whether there is any indication that an asset may be impaired. If any such indication exists, the Group shall estimate the recoverable amount of the asset. Recoverable amount is determined for an individual asset, if its is not possible, the Group determines the recoverable amount of the asset’s cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss.

An impairment loss recognized in prior year for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

Impairment of goodwill
Irrespective of whether there is any indication of impairment, goodwill is tested for impairment annually.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

2.p. Business Combination

Business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized as expenses in the years in which the costs are incurred and the services are received.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Component of non-controlling interests are measured either at fair value or at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. When in prior years, a changes in the value of its equity interest in the acquiree prior to the acquisition date had been recognized in other comprehensive income, that amount shall be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

At acquisition date, goodwill is measured at its cost being the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest, over (b) the net of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously the management reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, be allocated to each of the Group's Cash Generating Units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those Cash Generating Units.

If goodwill has been allocated to Cash Generating Units and certain operations on the Cash Generating Units is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or losses on disposal. Disposed goodwill is measured on the basis of relative values of the operation disposed of and the portion of the Cash Generating Units retained.

2.q. Intangible Assets

Intangible asset is measured on initial recognition at cost. After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

Intangible asset with indefinite useful life
Intangible asset with indefinite life is not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

Goodwill
Goodwill arising in a business combination is initially measured at its cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Intangible asset with definite useful life
Intangible asset with finite life is amortized over the economic useful life by using a straight-line method (or other method as it reflects the pattern in which the asset’s future economic benefits are expected to be consumed by the entity).

Software is amortized over the economic useful life with the straight line method based on the estimated useful life for 5 (five) years.

Amortisation is calculated so as to write-off the cost of the asset, less its estimated residual value.

2.r. Employee Benefits

Short-term Employee Benefits
Shor-term employee benefits are recognized when an employee has rendered service during accounting year, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits
Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 (“Law 13/2003”).

The Group recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting year less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit method. Present value benefit obligation is determined by discounting the benefit.

The Group accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity’s informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interets on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Group recognizes an expense and a liability for contribution payable to a defined contribution plan, when an employee has rendered service to the entity during a year. The amount charges as expenses in 2015 is Rp1,373,756,812.

<u>Termination Benefits</u>
The Group recognizes a liability and expense for termination benefits at the earlier of the following dates:
(a) When the Group can no longer withdraw the offer of those benefits; and
(b) When the Group recognizes costs for a restructuring that is within the scope of SFAS No. 57 and involves payment of termination benefits.

The Group measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.s. Business Combination between Entities Under Common Control

Business combination of entities under common control transactions, such as transfers of business conducted within the framework of the reorganization of the entities that are in the same group, not a change of ownership in terms of economic substance, so that the transaction can not result in a gain or loss for the Group as a whole or the individual entity within the Group.

Due to business combination transactions of entities under common control does not lead to change in economic substance of ownership on the exchanged asset, liability, shares or other ownership instrument, then the transferred asset or liability (in its legal form) is recorded at its carrying amount as well as a business combination under the pooling of interest method.

An entity that receives the business, in a business combination of entities under common control, recognizes the difference between the amount of the consideration transferred and the carrying amount of each transaction is a business combination of entities under common control in equity under additional paid in capital.

If the entity that received the business, subsequently dispose the business entity acquired previously, the additional paid-in capital recorded before, can not be recognized as a realized gain or loss nor reclassified to retain earning.

2.t. Revenue and Expense Recognition

The Group recognizes revenue from the sale of real estate based on SFAS No. 44 “Accounting for Real Estate Development Activities” as follows:

(i) Revenues from sales of lots that do not require the seller to construct building are recognized under the full accrual method if all of the following conditions are met:
   a. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable;
   b. the selling price is collectible;
   c. the receivable is not subordinated to other loans in the future;
   d. The land development process is complete so that the seller has no further obligations related to the lots sold, such as obligation to construct amenities or obligation to build other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law; and
   e. Only the lots are sold, without any requirement of the seller’s involvement in the construction of building on the lots.

(ii) Revenues from sales of houses, shop houses, and other similar property and related land are recognized under the full accrual method if all of the following conditions are met:
   a. a sale is consummated;
   b. the selling price is collectible;
   c. the seller's receivable is not subject to future subordination against other loans which will be obtained by the buyer; and
   d. The seller has transferred the risks and rewards of ownership to the buyer through a transaction that is in substance a sale and does not have substantial continuing involvement with the property.

(iii) Revenues from sales shopping center and, apartments are recognized using the percentage-of-completion method if all of the following conditions are met:
   a. the construction process has already commenced, i.e., the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
   b. total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable; and
   c. the amount of revenue and the cost of the property can be reliably estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities that need to be accomplished.

If a real estate sale fails to meet all the criteria of full accrual method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

Cost of land lots sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included in the "Accrued Expenses" account which is presented in the consolidated statements of financial position. The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current year.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

Rental revenue and other services is recognized based on their respective rental years and when the services are rendered to the customers. Rental and membership paid in advance are presented as deferred income and recognized as revenue over the year benefit.

Hotel and restaurant revenues are recognized when the goods or services provided to hotel guests or restaurant visitors. Revenue tuition and membership fees are deferred (presented under Deferred Income) and recognized as income over the year of its membership.

Expenses are recognised as incurred on an accruals basis.

2.u. Income Tax

Tax expense is the aggregate amount included in the determinination of profit or loss for the year. Current tax and deferred tax is recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior years shall, to the extent unpaid, be recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess shall be recognised as an asset. Current tax liabilities (assets) for the current and prior years shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous years is recognized as an asset. Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
a) the initial recognition of goodwill; or
b) the initial recognition of an asset or liability in a transaction which is
   (i) not a business combination and
   (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is :
a. not a business combination and
b. at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 by the end of the reporting year. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of a deferred tax asset reviewed at the end of each reporting year. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

The offset deferred tax assets and deferred tax liabilities if, and only if:
1) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   i. the same taxable entity; or
   ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The offset current tax assets and current tax liabilities if, and only if, the entity:
1) has legally enforceable right to set off the recognized amounts, and
2) intends either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

2.v. Earnings per Share

Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

For the purpose of calculationg diluted earnings per share, the Group shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effect of all dilutive potential ordinary shares.

2.w. Treasury Stock

Treasury stock is recorded at its acquisition cost and presented as a deduction from capital stock under equity section of consolidated statements of financial position. The excess of proceed from future re-sale of treasury stock over the related acquisition cost or vice-versa shall be accounted for as an addition to or deduction from additional paid-in capital.

2.x. Operating Segment

Group presented operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the Group.

An operating segment is a component of the entity:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity);
- whose operating results are regularly reviewed by chief operating decision maker to make decisions about resources to be allocated to the segment and assesses its performance; and
- for which separate financial information is available.

2.y. Financial Instruments

Initial Recognition and Measurement

The Group recognizes a financial assets or a financial libilities in the consolidated statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures all financial assets and financial liabilites at its fair value. In the case of a financial asset or financial liability is not measured at fair value through profit or loss, fair value is added or reduced with the transaction costs that are directly attributtable to the acquisition or issuance of the financial asset or financial liability. Transaction costs incurred on acquisition of a financial asset and issuance of a financial liability classified at fair value through profit or loss are expensed immediately.

Subsequent Measurement of Financial Assets

Subsequent measurement of financial assets depends on their classification on initial recognition.

The Group classifies financial assets in one of the following four categories:

(i) Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;
(b) those that upon initial recognition designated as available for sale; or
(c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial recognition, loans and receivable are measured at amortized cost using the effective interest method.

(iii) Held-to-Maturity (HTM) Investments
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

After initial recognition, HTM investments are measured at amortized cost using the effective interest method.

(iv) Available-for-Sale (AFS) Financial Assets
AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value is recogniized on other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. At that time, the cumulative gains losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Subsequent Measurement of Financial Liabilities
Subsequent measurement of financial liabilities depends on their classification on initial recognition. The Group classifies financial liabilities into one of the following categories:
(i) Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)
Financial liabilities at FVTPL are financial liabilities held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial liabilities classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

(ii) Other Financial Liabilities
Financial liabilities that are not classified as financial liabilities at FVTPL are grouped in this category and are measured at amortized cost using the effective interest method.

Derecognition of Financial Assets and Liabilities
The Group derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or the Group transfers the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement. If the Group transfers substantially all the risks and rewards of ownership of the financial asset, the Group derecognizes the financial asset and recognize separately as asset or liabilities any rights and obligation created or retained in the transfer. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and has retained control, the Group continues to recognizes the financial asset to the extent of its continuing involvement in the financial asset. If the Group retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the financial asset.

The Group removes a financial liability from its statement of financial position when, and only when, it is extinguished, ie when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets
At the end of each reporting year, the Group assess whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impared and impairment lossess are incurred, if and only if, there is objective evidence of impairment as a result of one or more events that occured after the initial recognition of the asset (loss event), and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The following are objective evidence that a financial asset or group of financial assets is impaired:
(a) Significant financial difficulty of the issuer or obligor;
(b) A breach of contract, such as default or delinquency in interest or principal payments;
(c) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.

For investment in equity instrument, a significant and prolonged decline in the fair value of the equity instrument below its cost is an objective evidence of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivable or held-to-maturity investments carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate and recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial assets has not been derecognized. The amount of the cumulative loss that is reclassified are the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

The Effective Interest Method
The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, for example, prepayment, call and similar option, but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Reclassification
The Group shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Group as at fair value through profit or loss. The Group may reclassifiy that financial asset out of the fair value through profit or loss category if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term. The Group shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

If, as a result of a change in Group's intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value. Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sales or reclassification that are so close to maturity or the financial asset's call date, occur after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

Offsetting a Financial Asset and a Financial Liability
A financial asset and financial liability shall be offset when and only when, the Group currently has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:
(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1);
(ii) Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2); and
(iii) Unobservable inputs for the assets or liabilities (Level 3).

When measuring the fair value of an asset or a liability, the Group uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Group uses valuation techniques that appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognised by the Group at the end of the reporting year during which the change occurred.

Hedging
The normal course of the Group's business exposes it to currency and interest rate risks. In order to hedge these risks in accordance with the management's written treasury policies, the Group uses derivatives and other hedging instruments. SFAS No. 55 allows 3 types of hedging relationships:
- Fair value hedge;
- Cash flow hedge;
- Hedge of a net investment in a foreign operation.

The Group uses hedge accounting only when the following conditions at the inception of the hedge are satisfied:
- The hedging instrument and the hedged item are clearly identified;
- Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy and the method used to assess the hedge's effectiveness; and
- The hedge relationship is expected to be highly effective throughout the life of the hedge.

The above documentation is subsequently updated at each reporting date in order to assess whether the hedge is still expected to be highly effective over its remaining life.

Cash flow hedge The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised (net of tax) in other comprehensive income and accumulated under hedging reserve, and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss.

No adjustment is made to the hedged item.

If a hedge of a forecast transaction subsequently results in the recognition of a financial assets or liabilities, the related gain or loss previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment in the same year when hedging on forecasted cash flow affect earnings.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group reclassifies the associated gains and losses that were recognized in other comprehensive income to profit or loss as a reclassification adjustment.

Derivatives
All derivatives are initially recognised and subsequently carried at fair value. The Group policy is to use derivatives only for hedging purposes. Accounting for derivatives engaged in hedging relationships is described in the above section.

Sometimes, the Group enters into certain derivatives in order to hedge some transactions but the strict hedging criteria prescribed by SFAS No. 55 are not met. In those cases, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised in profit or loss and accounting for the hedged item follows the Group’s policies for that item.

2.z. Important Estimated Source of Uncertainty and Accounting Considerations
The preparation of financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting year.

In the preparation of these consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilties in financial statements. In addition, there are accounting assumptions on the sources of estimation uncertainty at end of reporting year that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting year.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

i. Source of Uncertainty of Critical Accounting Estimates and Assumptions

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the consolidated financial statements, as follows:

Allowance for Impairment of Receivable
In general, the management analyzes the adequacy of the allowance for impairment of receivable based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given year of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable is carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting year, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Notes 5 and 7).

Impairment of Goodwill
In estimating the impairment of goodwill, the Group's management performs analysis and assessment of the ability of the cash generating unit, the change of the operating conditions of acquired entity and transfer of goodwill generating unit. If there are indications of a decrease in the ability of the cash generating unit in generating cash and management believes that the cash generating unit decrease the ability to generate cash, then the management will do the impairment of goodwill. If there is a change in the operational business units and/ or cash-generating unit has been transferred, the entire value of goodwill previously recorded will be impaired. The carrying value of goodwill is presented in Note 16.

Deferred Tax Assets Estimation
Deferred tax assets recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future years, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation (see Note 20.b).

Useful Lifes of Property and Equipment and Investment Property Estimation
Management makes a yearic review of the useful lifes of property and equipment and investment property based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment and investment property, if any, are prospectively treated in accordance with SFAS No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors" (see Notes 14 and 15).

Post-employment Benefits
The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits (see Note 26).

The Group determines the appropriate discount rate at end of reporting year by the interest rate used to determine the present value of future cash outflows expected to settle this obligation. In determining the appropriate level of interest rates, the Company considers the interest rate of government bonds denominated in Rupiah that has a similar year to the corresponding year of obligation. Other key assumption is partly determined by current market conditions, during the year in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the year.

Fair Value of Financial Instruments
If the fair value of financial assets and liabilities recorded in the statement of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

ii. Important Consideration in the Determination of Accounting Policies

The following judgment made by management in the application of the Group's accounting policies that have significant effect on the amounts presented in the financial statements:

Revenue Recognition - Percentage of Completion Method
Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the cost that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of determination of the estimated percentage of completion and it realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting year, in which the material error correction will be carried out retrospectively (see Note 37).

Revenue Recognition – Professional Fees
Policy and billing system to the patient is an integral of over all charges consisted of consulting with the doctor, use of drugs and other medical procedures. Above the cost of consulting a doctor, the Hospital performs specific calculations for each doctor, make payments and taxed accordingly every month to the doctor, although a bill to the patient is not fully collectible. Management of the Group considered that there was no agency relationship between the hospital and its doctors, with consideration to the impact of the significant benefits and risks related to the provision of medical services by the doctors to patients. Bills for medical services are recognized as revenue when the recognition criteria are met (see Note 37).

3. Restatement and Reclassification of Consolidated Financial Statements

<u>Implementation of SFAS No. 24 (Revised 2013) "Employee Benefits"</u>

In connection with the adoption of the revised SFAS No. 24 (Revised 2013) “Employee Benefits” effective January 1, 2015, the Group has changed its accounting policy with respect to the recording of defined benefit post-employment benefit obligations in the previous year were treated with the corridor approach. These changes include:

- The recognition actuarial gain (loss) through other comprehensive income;
- All past service cost is recognized as an expense on an earlier date between when the amendment/ curtailment program occurs or when the entity recognizes related restructuring costs or severance. So the cost of past service vested no longer be deferred and recognized over the vesting year; and
- Interest expense and returns of the plan assets used previously in SFAS No. 24 previous is replaced by the concept of net interest, which is calculated using a discount rate liabilities (assets) net defined benefits determined at the beginning of each annual reporting year.

<u>Implementation of SFAS No. 46 (Revised 2014) “Income Taxes”</u>

In connection with the adoption of the revised SFAS No. 46 (Revised 2014) "Income Tax", effective January 1, 2015, the Group reclassified the presentation of the final income tax which was previously as part of the corporate tax expense of the Group, into part of revenues in profit and loss for the year ended December 31, 2014.

<u>Implementation of SFAS No. 66 (Revised 2013) “Joint Arrangement”</u>

In connection with the adoption of the revised SFAS No. 66 (Revised 2013) “Joint Arrangement” effective January 1, 2015, the Group has changed its accounting policy with respect to the presentation of joint operation on DS8. Upon the adoption of this standard, the Group revised the respective accounting policy therefore, the Group recognizes the assets, liabilities, revenues and expenses in accordance with the agreed shares in join operation agreement.

The addition of goodwill and revised comparative information of the consolidated financial statements

On May 24, 2014, PT Koridor Usaha Maju, a subsidiary, made an additional adjustment of acquisition cost of PT Sarana Medika Traliansia (MST) which was done on December 13, 2013. The additional cost was as a result of additional acquisition cost amounted to Rp5,708,712,083 determined in the next period in accordance with the MST's acquisition agreement. Therefore, the Group revised the comparative information of the consolidated statement of financial position in 2013 for comparative purposes.

The following are the consolidated statements of financial position as of December 31, 2014 and January 1, 2014/ December 31, 2013 before and after revision, reclassification and restatement as follows:

	December, 31 2014		January 1, 2014/ December 31, 2013	
	Before Revision, Reclasification and Restatement Rp	After Revision, Reclasification and Restatement Rp	Before Revision, Reclasification and Restatement Rp	After Revision, Reclasification and Restatement Rp
Current Assets				
Cash and Cash Equivalents	3,529,169,475,504	3,582,643,822,338	1,855,051,780,961	1,855,051,780,961
Other Current Financial Assets	2,608,052,001,042	2,607,722,891,057	1,668,510,672,464	1,668,510,672,464
Inventory	16,553,035,543,518	16,579,175,843,160	13,894,009,358,067	13,894,009,358,067
Total Current Assets	29,962,691,722,606	30,041,977,259,097	24,013,127,662,910	24,013,127,662,910
Non-Current Assets				
Intangible Assets	522,577,738,505	528,286,450,588	331,840,973,411	337,549,685,494
Deferred Tax Assets	52,255,688,231	63,918,907,644	50,363,528,322	52,650,149,802
Advances	1,711,441,680,688	1,709,940,393,608	1,456,429,749,828	1,456,429,749,828
Total Non-Current Assets	7,798,528,971,089	7,814,399,615,505	7,287,234,767,356	7,295,230,100,919
TOTAL ASSETS	**37,761,220,693,695**	**37,856,376,874,602**	**31,300,362,430,266**	**31,308,357,763,829**
Current Liabilities				
Trade Accounts Payable - Third Parties	395,133,955,463	404,174,297,491	397,748,177,608	397,748,177,608
Accrued Expenses	1,125,429,552,800	1,129,923,477,800	551,608,473,508	557,317,185,591
Taxes Payable	647,229,469,182	648,190,083,093	253,597,145,454	253,597,145,454
Other Current Financial Liabilities	407,086,748,603	408,790,491,164	300,183,744,169	300,183,744,169
Advances from Customers	2,456,690,149,393	2,523,984,487,387	3,076,033,864,066	3,076,033,864,066
Total Current Liabilities	5,725,392,423,352	5,808,885,384,846	4,841,563,711,972	4,847,272,424,055
Non-Current Liabilities				
Long-Term Employment Benefits Liabilities	218,394,264,254	255,676,668,775	187,635,603,635	199,028,214,728
Total Non-Current Liabilities	14,389,379,227,138	14,426,661,631,659	12,281,225,413,069	12,292,618,024,162
Total Liabilities	**20,114,771,650,490**	**20,235,547,016,505**	**17,122,789,125,041**	**17,139,890,448,217**
EQUITY				
Equity Attributable to Owner of the Parent				
Retained Earnings	6,975,737,954,433	6,958,145,679,167	4,748,452,643,994	4,731,190,705,608
Total Equity Attributable to Owner of the Parent	**15,605,172,466,823**	**15,587,580,191,557**	**12,800,875,064,599**	**12,783,613,126,213**
Non-Controlling Interests	**2,041,276,576,382**	**2,033,249,666,540**	**1,376,698,240,626**	**1,384,854,189,399**
Total Equity	**17,646,449,043,205**	**17,620,829,858,097**	**14,177,573,305,225**	**14,168,467,315,612**
TOTAL LIABILITIES AND EQUITY	**37,761,220,693,695**	**37,856,376,874,602**	**31,300,362,430,266**	**31,308,357,763,829**

The following are the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2014 before and after reclassification and restatement as follows:

	Before Restatement and Reclasification Rp	After Restatement and Reclasification Rp
REVENUES	11,655,041,747,007	11,655,041,747,007
Final Tax Expenses	--	(372,429,257,496)
NET REVENUES	**11,655,041,747,007**	**11,282,612,489,511**
GROSS PROFIT	**5,397,377,636,819**	**5,024,948,379,323**
Operating Expenses	(2,120,565,543,596)	(2,119,155,611,804)
PROFIT FROM OPERATIONS	**3,808,790,116,489**	**3,437,770,790,785**
PROFIT BEFORE TAX	**3,694,978,541,909**	**3,323,959,216,205**
Tax Expenses	(559,762,631,282)	(184,007,957,716)
PROFIT FOR THE YEAR	**3,135,215,910,627**	**3,139,951,258,489**
COMPREHENSIVE INCOME		
Other Comprehenshive Income Item that will not be Reclassified Subsequently to Profit or Loss:		
Remeasurement Actuarial Loss of Defined Benefit Plan	--	(19,048,967,529)
Income Tax Related to Item that will not be Reclassified Subsequently to Profit or Loss:	--	6,051,181,862
OTHER COMPREHENSIVE LOSS FOR THE YEAR	(138,332,048,770)	(151,329,834,437)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**2,996,883,861,857**	**2,988,621,424,052**
Profit for the Year Attributable to:		
Owner of the Parent	2,547,285,310,439	2,556,247,574,832
Non-Controlling Interests	587,930,600,188	583,703,683,657
	3,135,215,910,627	**3,139,951,258,489**
Total Comprehensive Income for the Year Attributable to:		
Owner of the Parent	2,408,953,261,669	2,408,622,924,789
Non-Controlling Interests	587,930,600,188	579,998,499,263
	2,996,883,861,857	**2,988,621,424,052**
EARNINGS PER SHARE		
Basic, Profit for the Year Attributable to Ordinary Shareholders of the Parent	111.86	112.26

The following are the consolidated statement of cash flows for the year ended December 31, 2014 before and after revision and restatement as follows:

	Before Revision and Restatement Rp	After Revision and Restatement Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from Customers	10,860,045,389,639	10,927,339,727,633
Payments to Suppliers and Third Parties	(7,656,034,420,150)	(7,668,327,699,230)
Payments to Employees	(1,288,080,174,631)	(1,288,080,174,631)
Interest Received	64,860,824,565	64,860,824,565
Tax Payments	(450,403,061,640)	(450,403,061,640)
Interest Payments	(798,918,462,470)	(798,918,462,470)
Net Cash Used in Operating Activities	731,470,095,313	786,471,154,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Subsidiaries, Net of Cash Acquired	(206,525,706,710)	(208,052,418,790)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,703,003,468,016	1,756,477,814,850
CASH AND CASH EQUIVALENTS AT END OF YEAR	**3,529,169,475,504**	**3,582,643,822,338**

4. Cash and Cash Equivalents

	2015 Rp	2014 Rp
Cash		
(include 2015: USD 26,984, SGD 5,262, EUR 5,344, JPY 9,739, AUD 12,447; 2014: USD2,564, SGD500, EUR4,800, JPY113,800, AUD6,376)	8,556,332,898	6,620,446,207
Bank		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	158,290,657,963	320,481,703,637
PT Bank Negara Indonesia (Persero) Tbk	88,774,300,403	133,666,875,261
PT Bank Central Asia Tbk	42,822,483,055	57,811,715,043
PT Bank Permata Tbk	27,899,048,428	237,174,662,552
PT Bank Rakyat Indonesia (Persero) Tbk	25,482,320,958	16,645,255,187
PT Bank Mandiri (Persero) Tbk	14,751,455,330	28,035,605,515
PT Bank Mega Tbk	10,933,046,807	16,547,697,141
PT Bank Danamon Indonesia Tbk	10,074,461,690	10,713,599,454
PT Bank OCBC NISP Tbk	3,892,240,627	3,841,943,155
PT Bank Maybank Indonesia (formely PT Bank Internasional Indonesia Tbk)	3,787,230,456	2,986,264,647
PT Bank Tabungan Negara (Persero) Tbk	1,946,972,893	1,951,326,092
Others (each bellow Rp1 billion)	5,272,367,986	4,392,874,950
Foreign Currencies		
BNP Paribas, Singapore		
USD	202,215,222,426	54,895,277,406
SGD	11,932,459,599	71,383,502,267
OCBC Bank, Singapore - SGD	69,857,090,150	50,950,462,884
PT Bank Negara Indonesia (Persero) Tbk		
USD	5,673,018,713	8,950,532,697
SGD	14,170,668,870	519,085,305,443
PT Bank CIMB Niaga Tbk		
USD	5,171,123,626	14,565,105,541
SGD	11,873,673,033	832,888,419,697

	2015 Rp	2014 Rp
Credit Suisse, Singapore		
USD	5,241,190,472	--
SGD	7,648,698,051	--
PT Bank ANZ Indonesia		
USD	5,690,910,669	9,572,022,812
SGD	3,586,077,645	4,086,002,246
EUR	2,785,627,924	2,679,901,063
AUD	3,586,077,645	4,086,002,246
PT Bank OCBC NISP Tbk		
SGD	6,759,802,937	358,434,677,891
USD	736,465,250	3,231,417,386
EUR	93,782,117	94,174,172
PT Bank Mega Tbk		
USD	1,198,316,194	2,517,140,451
SGD	2,286,079,338	2,206,932,491
PT Bank Maybank Indonesia		
(formerly PT Bank Internasional Indonesia Tbk) - USD	3,378,228,380	17,348,651,129
PT Bank Permata Tbk		
USD	2,496,802,574	7,412,647,182
SGD	250,493,146	9,424,726,727
Others (each bellow Rp1 billion)	1,604,842,259	1,719,989,289
Related Party		
Rupiah		
PT Bank Nationalnobu Tbk	271,965,255,233	347,242,393,752
	1,034,128,492,847	3,157,024,807,406
Time Deposits		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	597,053,819,549	126,728,127,142
PT Bank Negara Indonesia (Persero) Tbk	128,250,300,000	135,896,596,412
PT Bank Mega Tbk	3,000,000,000	3,000,000,000
PT Bank Mandiri (Persero) Tbk	--	9,400,530,387
PT Bank Mayapada International Tbk	--	1,033,988,047
Others (each bellow Rp1 billion)	--	2,132,098,630
Foreign Currencies		
OCBC Bank, Singapore - SGD	68,257,000,098	74,560,695,591
PT Bank CIMB Niaga Tbk - USD	120,057,885	108,264,766
Credit Suisse, Singapore		
USD	--	4,633,865,666
SGD	--	61,504,402,084
	796,681,177,532	418,998,568,725
Total	**1,839,366,003,277**	**3,582,643,822,338**

Contractual interest rates and maturity period of the time deposits are as follows:

	2015	2014
Interest Rate		
Rupiah	3.00% - 10.00%	3.00% - 10.00%
Foreign Currencies	0.50% - 3.00%	0.50% - 3.00%
Maturity Period	0 - 3 months	0 - 3 months

5. Trade Accounts Receivable

	2015 Rp	2014 Rp
Third Parties		
Urban Development:		
Consumers Financing	261,011,608,016	206,250,000
Land Lots	162,911,845,467	51,067,566,957
Residential Houses and Shophouses	47,902,306,527	25,800,187,442
Memorial Park	23,702,794,029	22,855,595,423
Asset Enhancements	26,434,773,131	39,223,150,633
Others	18,556,390,817	15,611,497,188
Subtotal	540,519,717,987	154,764,247,643
Large Scale Integrated Development:		
Asset Enhancements	4,339,239,387	7,902,398,506
Apartments	2,672,299,686	19,182,165,804
Subtotal	7,011,539,073	27,084,564,310
Retail Malls:		
Asset Enhancements	123,819,136,187	151,884,010,118
Shopping Centers	20,068,291,250	21,207,942,024
Subtotal	143,887,427,437	173,091,952,142
Healthcare:		
Inpatient and Outpatient	596,132,428,238	403,650,789,171
Hospitality and Infrastructure:		
Town Management and Water Treatment	137,217,716,016	132,664,904,503
Hotels and Restaurants	16,897,138,911	13,801,721,957
Others	5,523,680,550	8,557,120,665
Subtotal	159,638,535,477	155,023,747,125
Property and Portfolio Management:		
Management Fees	68,496,531,253	98,875,298,186
Subtotal Trade Accounts Receivable from Third Parties	1,515,686,179,465	1,012,490,598,577
Less : Allowance for Impairment in Value	(91,468,709,993)	(64,936,716,285)
Total Trade Accounts Receivable from Third Parties - Net	1,424,217,469,472	947,553,882,292
Related Parties		
Healthcare:		
Inpatient and Outpatient	10,130,038,169	3,549,747,604
Total	**1,434,347,507,641**	**951,103,629,896**

Analysis of trade receivables by maturity is presented in Note 47.

The movements in allowances for impairment in value of receivables are as follows:

	2015 Rp	2014 Rp
Third Parties		
Beginning Balance	64,936,716,285	50,066,447,517
Addition	26,531,993,708	15,897,116,807
Reversal	--	(1,026,848,039)
Ending Balance	**91,468,709,993**	**64,936,716,285**

Additional (reversal) of allowance for impairment in value of trade accounts receivable is based on the review of the status of debtors at the end of the year.

Management made allowances for impairment in value of trade accounts receivables because management believes that these receivables are uncollectible.

Management believes that the allowance for impairment in value is adequate to cover the possibility of uncollectible trade accounts receivable.

Consumers financing receivables represent trade receivables of PT Asiatic Sejahtera Finance, a subsidiary, in connection with the financing of property unit ownership to the customers. Such receivables are used as colleteral of loan obtained from PT Bank J Trust Indonesia Tbk (see Note 24).

Trade accounts receivable of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loans obtained from PT Bank Central Asia Tbk (see Note 24).

Trade accounts receivable denominated in Rupiah and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 45 and 47.

6. Available-for-Sale Financial Assets

	2015 Rp	2014 Rp
At Cost		
Lippo Malls Indonesia Retail Trust (LMIR Trust)		
(2015: 816,883,084 units; 2014: 807,438,556 units)	3,288,543,737,433	3,272,180,664,720
First REIT (2015: 251,828,857 units; 2014: 246,633,504 units)	2,021,847,535,149	1,956,314,723,620
PT Kawasan Industri Jababeka Tbk (KIJA)		
(2015: 1.511.850.179 shares)	338,938,289,009	--
Foreign Exchange Translation	369,694,975,330	106,215,030,060
Accumulated Unrealized Gain (Loss):		
Charged to Consolidated Profit or Loss	(17,387,163,577)	(1,949,311,917)
Charged to Other Comprehensive Income	(132,573,932,936)	170,197,156,625
Total	**5,869,063,440,408**	**5,502,958,263,108**

Available-for-Sale Financial Assets are investments in REIT units which are listed on the Singapore Stock Exchange and KIJA shares listed in Indonesia Stock Exchange. The quoted market price of REIT units as of December 31, 2015 and 2014 are SGD1.20 and SGD1.26, for First REIT units, respectively, and SGD0.32 and SGD0.34, for LMIR Trust units, respectively. The quoted market price of KIJA as of December 31, 2015 is Rp247.

In 2015, Bridgewater International Ltd and LMIRT Management Ltd, subsidiaries, disposed 9,000,000 units and 10,000,000 units of LMIR Trust at the price per unit of SGD0.345 (equivalent Rp3,270) and SGD0.345 (equivalent Rp3,270), respectively. Loss on disposal from these transactions amounted to Rp15,437,851,660 and recorded as other income in the profit or loss. Informations of additional investment units as of December 31, 2015 and 2014 are disclosed in Note 49.

Addition of investments in available for sell financial asset in KIJA includes 1,480,613,606 units from aquired entity of Rp387,920,764,772 (inclued in other comprehensive income amounted to Rp58,546,531,498) (see Note 48).

7. Other Current Financial Assets

	2015 Rp	2014 Rp
Third Parties		
Call Spread Option (See Note 43.d)	2,015,953,790,020	1,787,652,313,287
Other Accounts Receivable	695,184,124,483	675,295,473,336
Dividend Receivable	157,159,942,187	144,775,104,434
Investments in Mutual Fund	49,008,885,877	--
Promisorry Note (2015: USD781,600)	10,782,172,000	--
Total	**2,928,088,914,567**	**2,607,722,891,057**

Other Accounts Receivable

	2015 Rp	2014 Rp
Third Parties		
Receivables from Transfer of Land and Building Right	328,223,711,241	351,685,089,141
Billing of Joint Operation	46,664,899,527	46,664,899,527
Receivables from Operator and Tenant Association of Mall	36,917,811,640	42,485,710,463
Performance Guarantee Receivables Hospital and Hotel	18,000,000,000	--
Others	274,628,929,197	241,759,484,388
Subtotal	704,435,351,605	682,595,183,519
Less: Allowance for Impairment in value	(9,251,227,122)	(7,299,710,183)
Net	**695,184,124,483**	**675,295,473,336**

The movements in allowances for impairment in value of other account receivables are as follows:

	2015 Rp	2014 Rp
Third Parties		
Beginning Balance	7,299,710,183	6,353,293,962
Addition	1,951,516,939	946,416,221
Ending Balances	**9,251,227,122**	**7,299,710,183**

Receivables from transfer of land and building right are receivables resulted from payments of tax on the transfer of land and buildings of Mall Kemang, Siloam Hospitals Makassar and Siloam Hospitals Bali.

Receivables from operator and tenant association of mall represents receivables resulted from payment of service charge, repair and maintenance units of malls that have been transferred to another parties.

Hospital and Hotel performance guarantees receivables are receivables arising from billing of under achievement of EBITDA performance of hospitals and hotels acquired from third parties, as part of the deal in the sale and purchase agreement.

Dividend receivables represents dividend receivable of Bridgewater International Ltd., PT Menara Tirta Indah, Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, subsidiaries, from their investments in First REIT and LMIR Trust, respectively.

Management made allowances for impairment in value of trade accounts receivables based on collectability of receivable.

The Group's management believes that allowance for impairment is adequate to cover the possibility of uncollectible other accounts receivable.

Investments in Mutual Fund

Investments in mutual fund are ownership of mutual fund units managed by an Investment Manager PT Lippo Securities Tbk, a related party, through RDPT Lippo Terproteksi I and II and PT Bowsprit Asset Management, a subsidiary, through RDPT Infrastucture Fund I. The fair value of mutual fund units are determined based on net asset value as at reporting date.

Unrealized gains on the increase in value of mutual fund units held by the Group for the year ended December 31, 2015 amounted to Rp1,008,885,873 recorded as other income (expenses).

8. Inventories

	2015 Rp	2014 Rp
Urban Development:		
Land under Development	10,498,080,080,427	8,311,654,996,176
Residential Houses and Shophouses	2,068,995,059,985	2,199,812,905,548
Apartments	299,698,103,057	87,142,119,963
Others	8,725,777,948	8,976,074,946
Subtotal	12,875,499,021,417	10,607,586,096,633
Large Scale Integrated Development:		
Land under Development	1,941,650,461,656	2,062,137,788,218
Shopping Centers	1,664,488,022,605	1,330,357,737,118
Apartments	1,839,198,442,789	1,132,228,299,221
Subtotal	5,445,336,927,050	4,524,723,824,557
Retail Malls:		
Shopping Centers	1,641,187,663,624	1,151,698,829,656
Land under Development	349,500,614,513	183,041,252,330
Subtotal	1,990,688,278,137	1,334,740,081,986
Healthcare:		
Medical and Non Medical Supplies	140,434,193,057	105,857,883,964
Hospitality and Infrastructure:		
Hotels and Restaurants	6,145,465,883	5,636,592,465
Recreation and Sports	856,190,099	582,131,842
Others	69,747,026	88,737,396
Less: Allowances Decline in Inventories Value	(39,505,683)	(39,505,683)
Subtotal	7,031,897,325	6,267,956,020
Net	**20,458,990,316,986**	**16,579,175,843,160**

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Note 14).

As of December 31, 2015 property and equipment was reclassified to inventory amounted Rp461,342,063,858 (see Note 15).

In 2014, land for development was reclassified to inventory amounting to Rp441,635,251,200 (see Note 18).

As of December 31, 2014, inventory was reclassified to property and equipment amounting to Rp53,315,653,191 and property and equipment was reclassified to inventory amounting to Rp13.679.733.593 (see Note 15).

Land owned by Company for an area of 21,940 sqm used as a collateral for a loan from PT Bank Negara Indonesia (Persero) Tbk (see Note 22).

Land owned by PT Waska Sentana, a subsidiary, for an area of 38,901 sqm used as a collateral for a loan from PT Bank ICBC Indonesia (see Note 22).

Land owned by PT Pamor Paramita Utama, a subsidiary, for an area of 21,150 sqm used as a collateral for a loan from PT Bank CIMB Niaga Tbk (see Note 24).

Land owned by PT Mandiri Cipta Gemilang, a subsidiary, for an area of 73,716 sqm used as a collateral for a loan from PT Bank CIMB Niaga Tbk (see Note 22).

Borrowing costs capitalized into land under development for the years ended December 31, 2015 and 2014 amounting to Rp Rp1,696,443,015,384 (include bond interest amounted to Rp853,470,852,432) and Rp897,098,924,229 (include bond interest amounted to Rp575,116,386,833), respectively (see Notes 22 and 25).

As of December 31, 2015, land under development consisted of land covering a net area of approximately 31 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 62 hectares in Mampang Prapatan District, 20 hectares in Panunggangan Barat Village, 25 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 94 hectares in Margakaya Village, Telukjambe, Karawang, 170 hectares in Cibatu Village, 22 hectares in Serang Village, 25 hectares in Sukaresmi Village, 7 hectares in Cicau Village, 2 hectares in Kuta, Bali, 25 hectares in Jaya Mukti Village, 16 hectares in Tanjung Merdeka Village, 23 hectares in Macini Sombala Village, 13 hectares in Tamanyeleng Village, 32 hectares in Barombong Village and 14 hectares in Mariso District, 3 hectares in Panakukang Village, 1 hectare in Warung Buncit district, 4 hectares in Cempaka Putih District, 2 hectares in Wenang District, North Sulawesi, 3 hectares in Alak District, East Nusa Tenggara, 1 hectare in Medan Ringroad, 3 hectares in Komodo District, Nusa Tenggara Timur, 2 hectares in Rajabasa district, Lampung and 1 hectare in Serengan District, Surakarta.

Medical supplies and consumables of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Note 24).

The amount of inventory charged to cost of sales amounted to Rp2,241,701,472,930 and Rp4,276,040,362,277, respectively, for the years ended December 31, 2015 and 2014.

Management believes that there is no indication of change in circumstances that causes a decrease in the value of inventories at December 31, 2015.

The Group's inventories, property investment, and property and equipment have been insured against all risks, with sum insured of Rp5,077,273,883,000 and USD7,000,000 as of December 31, 2015 and Rp7,810,000,000,000 and USD10,200,000 as of December 31, 2014, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.

9. Prepaid Expenses

	2015 Rp	2014 Rp
Rental	139,101,322,739	138,391,344,438
Insurances	2,678,692,276	2,579,801,286
Others	87,885,650,142	55,932,218,963
Total	**229,665,665,157**	**196,903,364,687**

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 43.b).

10. Other Non-Current Financial Assets

	2015 Rp	2014 Rp
Restricted Funds	685,854,507,978	561,596,218,297
Investments in Bond	10,000,000,000	--
Other Investments	58,329,023,011	58,329,023,011
Total	**754,183,530,989**	**619,925,241,308**

Restricted Funds

Restricted fund represents time deposits placements as required in property rental agreements with First REIT in PT Bank Maybank Tbk (formerly PT Bank Internasional Indonesia Tbk) (BM), PT Bank Central Asia Tbk (BCA), PT Bank Permata Tbk (BPe), BNP Paribas (BNP) and as required in mortgages for houses and apartments (KPR and KPA) entered by the Group with PT Bank Mandiri (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, BNP, PT Bank OCBC NISP Tbk (OCBC), PT Bank CIMB Niaga Tbk (CIMB), PT Bank Mega Tbk (BMe), BM, PT Bank Danamon Indonesia Tbk, PT Bank Panin Tbk. Contractual interests of those time deposits are 0.5% - 7.5%.

Investments in Bonds

These investments represent placement of investments in bond by PT Sandiego Hills Memorial Park, a subsidiary. The followings are the information of investments in bond as of December 31, 2015:

	Par Value Rp	Maturity	Coupon Rate
Obligasi Penawaran Umum Berkelanjutan II PT BCA Finance Tahap I Seri C	2,000,000,000	March 20, 2018	9.00%
Obligasi Garuda Indonesia	2,000,000,000	July 5, 2018	9.25%
Obligasi Berkelanjutan I PT Bumi Serpong Damai Tbk Tahap II	2,000,000,000	June 5, 2018	8.38%
Obligasi PT Semberdaya Sewatama I Tahun 2012 Seri B	1,000,000,000	November 30, 2017	9.56%
Obligasi Berkelanjutan I ADHI Tahap II Seri B	1,000,000,000	March 15, 2020	8.50%
Obligasi Penawaran Umum Berkelanjutan I PT Permodalan Nasional Madani (Persero)	1,000,000,000	October 12, 2017	9.56%
Obligasi Penawaran Umum Berkelanjutan I PT Pembangunan Perumahan (Persero)	1,000,000,000	March 19, 2018	8.38%
Total	**10,000,000,000**		

Other Investments

	Domicile	2015 Rp	2014 Rp
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitradaya	Jakarta	160,000,000	160,000,000
Others	--	29,384,011	29,384,011
Total		**58,329,023,011**	**58,329,023,011**

This account represents investment in shares below 20% of ownership in some companies which do not have quoted stock market prices.

11. Transactions and Balances with Related Parties

The details of the account balances with related parties are as follows:

	2015 Rp	2014 Rp	Percentage to Total Assets 2015 %	Percentage to Total Assets 2014 %
Cash and Cash Equivalents				
PT Bank Nationalnobu Tbk	271,965,255,233	347,242,393,752	0.66	0.92
Trade Accounts Receivable				
PT Lippo Genaral Insurance Tbk	4,378,335,377	504,165,422	0.30	0.07
Others (each below Rp1 billion)	5,751,702,792	3,045,582,182	0.40	0.40
Total	**10,130,038,169**	**3,549,747,604**	**0.70**	**0.46**
Investments in Joint Venture				
Yoma Siloam Hospital Pun Hlaing Ltd	132,594,167,310	--	0.32	--
PT Lippo Diamond Development	98,833,151,586	--	0.24	--
Total	**231,427,318,896**	**--**	**0.56**	**--**
Investments in Associates				
PT Surya Citra Investama	71,052,002,794	69,504,608,821	0.17	0.18
PT TTL Residences	60,086,122,586	28,031,250,000	0.15	0.07
PT Hyundai Inti Development	11,902,864,415	12,229,173,806	0.03	0.03
PT Anho Biogenesis Prima Indonesia	1,533,695,368	4,250,000,000	0.00	0.01
Others (each below Rp1 billion)	9,268,729,654	9,268,729,654	0.02	0.02
Total	**153,843,414,817**	**123,283,762,281**	**0.37**	**0.33**

	2015 Rp	2014 Rp	Percentage to Total Assets/ Liabilities/ Revenue/ Operating Expense 2015 %	2014 %
Due from Related Parties Non-Trade				
PT Bumi Lemahabang Permai	32,051,733,936	9,910,889,654	0.08	0.03
Directors and Key Management	4,708,912,430	7,805,374,362	0.01	0.02
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.01
Others (each below Rp1 billion)	11,023,654,919	4,753,601,521	0.03	0.01
Total	52,676,236,736	27,361,800,988	0.13	0.07
Less : Allowance for Impairment in Value	(15,582,751,676)	(12,573,437,421)	(0.04)	(0.04)
Total	**37,093,485,060**	**14,788,363,567**	**0.09**	**0.03**
Due to Related Parties Non-Trade				
PT Tirta Graha Sentana	1,991,540,182	2,215,692,479	0.01	0.01
Others (each below Rp1 billion)	5,537,457,594	1,163,585,640	0.02	0.01
Total	**7,528,997,776**	**3,379,278,119**	**0.03**	**0.02**
Deferred Income				
PT Mulia Persada Pertiwi	299,264,589,161	315,477,569,167	1.34	1.56
PT Matahari Putra Prima Tbk	140,508,177,979	134,362,277,359	0.63	0.66
Total	**439,772,767,140**	**449,839,846,526**	**1.96**	**2.22**
Long-Term Post-Employment Benefits Liability				
Directors, Commisioners and Key Management	**8,776,903,677**	**12,220,099,936**	**0.04**	**0.06**
Revenues				
PT Matahari Putra Prima Tbk	19,464,949,655	31,830,427,837	0.22	0.27
PT Mulia Persada Pertiwi	16,212,980,006	8,782,030,833	0.18	0.08
Total	**35,677,929,661**	**40,612,458,670**	**0.40**	**0.35**
Operating Expenses				
PT Multipolar Technology Tbk	26,456,526,000	21,477,786,511	0.30	0.18
PT Air Pasific Utama	18,684,448,000	14,513,416,666	0.21	0.12
PT Matahari Pasific	6,949,913,830	6,188,446,471	0.08	0.05
PT Sharestar Indonesia	795,279,021	1,285,627,673	0.01	0.01
Total	**52,886,166,851**	**43,465,277,321**	**0.59**	**0.37**
Short-Term Post-Employment Benefits Expenses				
Directors, Commisioners and Key Management	**59,848,404,201**	**65,178,996,257**	**2.50**	**3.08**

Nature of transactions with related parties are as follows:

Related Parties	**Relationship with the Company**	**Transactions**
PT Matahari Putra Prima Tbk	Under Common Control	Deferred income and rental income
PT Mulia Persada Pertiwi	Under Common Control	Deferred income and rental income
PT Bumi Lemahabang Permai	Under Common Control	Non-interest bearing intercompany charges.
PT Surya Cipta Investama	Associate	Investment in shares
PT Hyundai Inti Development	Associate	Investment in shares
PT TTL Residences	Associate	Investment in shares
Yoma Siloam Hospital Pun Hlaing Ltd	Joint Venure	Investment in joint venture
PT Anho Biogenesis Prima Indonesia	Asosiasi	Investment in shares of stock
PT Bank Nationalnobu Tbk	Under Common Control	Placement of current accounts, deferred income and rental income
PT Duta Mas Kharisma Indah	Under Common Control	Non-interest bearing intercompany charges

Related Parties	Relationship with the Company	Transactions
PT Tirta Graha Sentana	Under Common Control	Non-interest bearing intercompany charges
PT Multipolar Technology Tbk	Under Common Control	Procurement hardware and software
PT Air Pasific Utama	Under Common Control	Non-interest bearing intercompany charges
PT Lippo General Insurance Tbk	Under Common Control	Trade Receivables
Directors, Commisioners and Key Management	Key Personel	Employee benefits, Non-interest bearing and without maturity date of loan

In 2015, PT Villa Permata Cibodas, a subsidiary, has returned prepaid rental to PT Mulia Persada Pertiwi (MPPi) amounted to Rp63,416,672,650.

In 2014, PT Menara Bhumimegah, a subsidiary, has returned prepaid rental to PT Matahari Putra Prima Tbk (MPPa) amounted to Rp83,000,000,000.

On March 12, 2014, prepaid rental from MPPa, was novated to MPPi. Upon this novation, all rights and obligations arising from previous lease agreement were transferred to MPPi by MPPa.

12. Invesments in Associates

	2015								
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Accumulated Other Comperhenshif Income	Additional of Investment	Correction	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama *)	Bekasi	49.81	32,964,983,496	42,009,247,383	--	(1,200,516,326)	--	(2,721,711,759)	71,052,002,794
PT TTL Residences	Bekasi	25.00	28,031,250,000	(6,534,127,414)	--	--	38,589,000,000	--	60,086,122,586
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,032,314,907	(93,284,873,862)	--	--	--	11,902,864,415
PT Anho Biogenesis Prima Indonesia **)	Jakarta	42.50	4,250,000,000	(2,716,304,632)	--	--	--	--	1,533,695,368
Others (each below Rp5 billion)			25,143,494,000	(15,874,764,346)	--	--	--	--	9,268,729,654
Total			**96,545,150,866**	**115,916,365,898**	**(93,284,873,862)**	**(1,200,516,326)**	**38,589,000,000**	**(2,721,711,759)**	**153,843,414,817**

	2014						
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) - Net	Accumulated Dividend Received	Disposal	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama *)	Bekasi	49.81	32,964,983,496	36,539,625,325	--	--	69,504,608,821
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,200,501,635	(93,126,751,199)	--	12,229,173,806
PT TTL Residences	Bekasi	25.00	28,031,250,000	--	--	--	28,031,250,000
PT Graha Teknologi Nusantara	Jakarta	20.00	15,295,000,000	--	--	(15,295,000,000)	--
PT Anho Biogenesis Prima Indonesia **)	Jakarta	42.50	4,250,000,000	--	--	--	4,250,000,000
Others (each below Rp5 billion)			25,143,494,000	(15,874,764,346)	--	--	9,268,729,654
Total			**111,840,150,866**	**119,865,362,614**	**(93,126,751,199)**	**(15,295,000,000)**	**123,283,762,281**

*) Parent Company of PT Multifiling Mitra Indonesia Tbk
**) Parent Company of PT Biogenesis Genome International

The following are financial information of subsidiaries of associates as of December 31, 2015 and 2014:

Subsidiaries	Domicile	Main Business	Percentage of Ownership	Total Assets	
				2015	2014
				Rp	Rp
PT Multifiling Mitra Indonesia Tbk	Bekasi	Services	65.98	184,786,688,849	160,411,216,302
PT Biogenesis Genome International	Jakarta	Healthcare Services	89.00	10,000,000,000	10,000,000,000

The following is a summary of financial information of the associates as of December 31, 2015 and 2014:

	2015 Rp	2014 Rp
Total Agregate of Current Assets	144,132,664,218	39,064,044,980
Total Agregate of Non Current Assets	816,404,203,114	163,067,769,184
Total Agregate of Current Liabilities	57,149,924,487	10,337,545,674
Total Agregate of Non Current Liabilities	377,746,333,148	15,683,856,331
Total Agregate of Net Revenues for the Year	130,212,272,005	102,056,181,969
Total Agregate of Profit After Tax for the Year	28,773,912,805	25,721,854,533
Total Agregate of Comprehensive Income for the Year	26,363,721,426	--
Total Agregate of Profit or Loss and Other Comprehensive Income for the Year	14,772,074,844	25,721,854,533

There was no fair value information available based on quoted market prices of the above investments in associates.

Fair value of investment of PT Surya Cipta Investama in PT Multifilling Media Indonesia Tbk as of December 31, 2015 and 2014 based on quoted market price information amounted to Rp93,485,021,300 and Rp168,972,926,200, respectively.

13. Investments in Joint Venture

	2015						
	Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Share in Profit (Loss) - Net Rp	Accumulated Dividend Received Rp	Accumulated Other Comperhenshive Income Rp	Carrying Value Rp
Yoma Siloam Hospital Pun Hlaing Ltd	Myanmar	40.00	135,814,217,223	(3,220,049,913)	--	--	132,594,167,310
PT Lippo Diamond Development	Indonesia	51.00	102,000,000,000	(3,166,848,414)	--	--	98,833,151,586
Total			**237,814,217,223**	**(6,386,898,327)**	**--**	**--**	**231,427,318,896**

Yoma Siloam Hospital Pun Hlaing Ltd
In 2015, PT Waluya Graha Loka (WGL), a subsidiary, and First Myanmar Investment Co., LTD (FMI) entered into joint venture agreement through Yoma Siloam Hospital Pun Hlaing Ltd (YSHPH) with total capital amount of USD13,187,500 with the contribution of USD5,275,000 (equivalent to 40% of capital) and USD7,912,500 (equivalent to 60% of capital) for WGL and FMI, respectively.

Based on the said joint venture agreement, the venturers agree to increase the venture capital amounting to USD80,000,000, proportionately contributed by each venturer in seventh years since the joint venture establishment. The venturers also agree to provide funding to the joint venture proportionately.

PT Lippo Diamond Development
On October 28, 2015, PT Megakreasi Cikarang Permai (MCP), a subsidiary, and PT Diamond Realty Investment Indonesia (DRII), a subsidiary of Mitsubishi Corporation, entered into joint operation for developing of two towers of luxury residential in Orange Country, Lippo Cikarang, with total investment value of USD100,000,000. The contribution of this joint operation is 51% and 49% for MCP and DRII, respectively.

Based on the said joint venture agreement, MCP and DRII, the venturers agree to provide funding to the joint venture proportionately. If one of the venturer does not have sufficient fund for financing, the funding will be obtained from third party loan.

The following is a summary of financial information on joint venture as of December 31, 2015:

	2015 Rp
Total Agregate of Current Assets	370,495,019,453
Total Agregate of Non Current Assets	46,178,108,191
Total Agregate of Current Liabilities	16,758,539,343
Total Agregate of Non Current Liabilities	126,317,137,267
Total Agregate of Net Revenues for the Year	65,011,757,298
Total Agregate of Profit After Tax for the Year	(9,674,273,041)
Total Agregate of Comprehensive Income for the Year	--
Total Agregate of Profit or Loss and Other Comprehensive Income for the Year	(9,674,273,041)

There was no fair value information available based on quoted market price of the above investments in joint venture.

14. Investment Property

	2015				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Land	56,201,024,208	--	--	26,025,568,923	82,226,593,131
Building	343,752,721,523	8,304,892,095	--	95,265,384,033	447,322,997,651
Total Acquisition Cost	399,953,745,731	8,304,892,095	--	121,290,952,956	529,549,590,782
Accumulated Depreciation					
Building	89,648,991,228	22,900,291,298	--	--	112,549,282,526
Total Accumulated Depreciation	89,648,991,228	22,900,291,298	--	--	112,549,282,526
Carrying Value	**310,304,754,503**				**417,000,308,256**

	2014				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Land	56,201,024,208	--	--	--	56,201,024,208
Building	322,292,252,875	21,460,468,648	--	--	343,752,721,523
Total Acquisition Cost	378,493,277,083	21,460,468,648	--	--	399,953,745,731
Accumulated Depreciation					
Building	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Total Accumulated Depreciation	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Carrying Value	**306,361,105,208**				**310,304,754,503**

Rental revenue earned and direct operating expenses from investment property in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Rental Income	97,680,088,560	93,146,654,774
Direct Operating Cost Arises from the Rental Generated Investment Properties	41,247,573,171	33,647,438,937

Depreciation charges that were allocated in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Cost of Revenue	9,644,522,561	3,557,448,201
Selling Expense (see Note 39)	13,255,768,737	13,959,371,152
Total	**22,900,291,298**	**17,516,819,353**

In 2015, the Group reclassified inventory to investment property amounting to Rp66,455,920,125 (see Notes 8 and 49).

In 2015, the Group reclassified property and equipment to investment property amounting to Rp54,835,032,831 (see Notes 15 and 49).

The fair value of all inventories (see Note 8), investment property, and property and equipment (see Note 15) as of December 31, 2014, amounted to Rp87,115,444,804,000. Based on the valuation reports of Kantor Jasa Penilai Publik Rengganis Hamid and Rekan and Kantor Jasa Penilai Publik Ihot Dollar & Raymond, independent appraisers which are not related with the Company, dated June 1, 2015 and June 1, 2015, respectively, The appraisers are member of MAPPI and have appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the Code of Ethics of Indonesian valuation.

The approach used by the appraisers are:
1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of December 31, 2015 was not impaired as compared to December 31, 2014.

Based on the evaluation of the value of investment properties as of December 31, 2015, management believes that there are no changes in circumstances indicate an impairment of investment properties.

15. Property and Equipment

	2015				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Direct Ownership					
Land	477,801,430,283	7,000,000,000	--	(535,815,000)	484,265,615,283
Building, Infrastructure and Renovations	1,029,929,192,682	89,388,237,065	--	21,037,867,314	1,140,355,297,061
Parks and Interiors	24,576,600,379	4,656,617,208	--	--	29,233,217,587
Golf Course and Club House	175,604,708,730	512,210,600	52,572,000	--	176,064,347,330
Transportation Equipment and Vehicles	46,397,613,598	2,242,168,659	246,919,545	984,000,000	49,376,862,712
Furniture, Fixtures and Office Equipment	670,698,064,934	182,547,615,586	340,860,582	15,036,195,236	867,941,015,174
Tools and Medical Equipment	1,522,526,112,101	103,534,842,911	5,506,416,776	124,960,145,376	1,745,514,683,612
Machinery and Project Equipment	258,068,250,234	6,778,890,499	82,070,250	(9,662,029,156)	255,103,041,327
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,223,135,710,894	396,660,582,528	6,228,839,153	151,820,363,770	4,765,387,818,039
Construction in Progress	837,191,957,954	117,479,367,589	--	(667,997,460,459)	286,673,865,084
Total Acquisition Cost	5,060,327,668,848	514,139,950,117	6,228,839,153	(516,177,096,689)	5,052,061,683,123
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	288,256,604,730	65,727,944,215	--	--	353,984,548,945
Parks and Interiors	21,520,178,822	1,031,970,511	--	--	22,552,149,333
Golf Course and Club House	153,419,085,781	9,786,996,818	52,572,000	--	163,153,510,599
Transportation Equipment and Vehicles	33,194,006,193	3,773,777,636	246,919,545	--	36,720,864,284
Furniture, Fixtures and Office Equipment	477,658,933,083	132,143,860,548	286,868,520	--	609,515,925,111
Tools and Medical Equipment	682,582,474,116	231,562,150,511	2,785,724,122	17,323,872,553	928,682,773,058
Machinery and Project Equipment	177,425,660,754	28,376,328,619	82,070,250	(17,323,872,553)	188,396,046,570
Bowling Machinery	14,372,469,025	15,126,228	--	--	14,387,595,253
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,851,565,158,596	472,418,155,086	3,454,154,437	--	2,320,529,159,245
Carrying Value	**3,208,762,510,252**				**2,731,532,523,878**

	2014				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Direct Ownership					
Land	353,113,027,388	71,372,749,704	--	53,315,653,191	477,801,430,283
Building, Infrastructure and Renovations	843,617,829,618	84,494,475,753	--	101,816,887,311	1,029,929,192,682
Parks and Interiors	36,886,191,401	990,838,387	--	(13,300,429,409)	24,576,600,379
Golf Course and Club House	172,759,176,590	2,845,532,140	--	--	175,604,708,730
Transportation Equipment and Vehicles	44,293,024,041	1,840,303,183	158,063,626	422,350,000	46,397,613,598
Furniture, Fixtures and Office Equipment	581,125,590,144	81,945,957,174	989,017,775	8,615,535,391	670,698,064,934
Tools and Medical Equipment	1,330,651,853,267	166,404,346,766	1,072,435,349	26,542,347,417	1,522,526,112,101
Machinery and Project Equipment	230,860,561,610	27,207,688,624	--	--	258,068,250,234
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	3,610,840,992,012	437,101,891,731	2,219,516,750	177,412,343,901	4,223,135,710,894
Construction in Progress	662,875,360,688	311,713,717,385	--	(137,397,120,119)	837,191,957,954
Total Acquisition Cost	4,273,716,352,700	748,815,609,116	2,219,516,750	40,015,223,782	5,060,327,668,848
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	233,663,427,726	54,593,177,004	--	--	288,256,604,730
Parks and Interiors	21,206,805,947	692,677,059	--	(379,304,184)	21,520,178,822
Golf Course and Club House	143,648,629,426	9,770,456,355	--	--	153,419,085,781
Transportation Equipment and Vehicles	29,074,260,283	4,277,809,536	158,063,626	--	33,194,006,193
Furniture, Fixtures and Office Equipment	365,391,970,828	113,234,343,650	967,381,395	--	477,658,933,083
Tools and Medical Equipment	499,005,568,015	184,484,341,446	907,435,345	--	682,582,474,116
Machinery and Project Equipment	153,341,047,381	24,084,613,373	--	--	177,425,660,754
Bowling Machinery	14,356,614,675	15,854,350	--	--	14,372,469,025
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,462,824,070,373	391,153,272,773	2,032,880,366	(379,304,184)	1,851,565,158,596
Carrying Value	**2,810,892,282,327**				**3,208,762,510,252**

In 2015, the Group reclassified property and equipment to inventory amounting to Rp461,342,063,858 (see Note 8).

In 2015, the Group reclassified property and equipment to investment property amounting to Rp54,835,032,831 (see Note 14).

The addition of the Group's property and equipment, including non-cash transactions from realization of property and equipment advances amounted to Rp29,210,918,565 and Rp26,847,346,117 in December 31, 2015 and 2014 (see Note 49).

In 2014, the addition of property and equipment including from the acquired entity (see Notes 1.c and 48) with the acquisition cost of Rp154,614,736,423 and accumulated depreciation of Rp53,643,975,818 (see Note 48).

In 2014, the Group reclassified inventory to property and equipment amounting to Rp53,315,653,191 and reclassified property and equipment to inventory amounting to Rp13,679,733,593 (see Note 8).

Construction in progress represents hospitals and mall buildings. As of December 31, 2015, Construction in progress has reached 12% - 97% and estimated the completion within March 2016 until September 2016. Management believes that there is no other matter which will hinder the completion.

Depreciation charges that were allocated in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Cost of Revenue	288,787,765,344	190,834,682,806
General and Administrative Expenses (see Note 39)	173,179,354,154	140,832,187,049
Selling Expenses (see Note 39)	10,451,035,588	5,842,427,100
Total	**472,418,155,086**	**337,509,296,955**

Acquisition cost of property and equipment that have been fully depreciated and still in use as of December 31, 2015 and 2014 amounted Rp117,871,462,880 and Rp112,186,371,970, respectively.

Details of the disposal on property and equipment of the Group for the years ended December 31, 2015 and 2014 are as follows:

	2015 Rp	2014 Rp
Acquisition Cost	6,228,839,153	2,219,516,750
Accumulated Depreciation	3,454,154,437	2,032,880,366
Net Carrying Value	2,774,684,716	186,636,384
Selling Price	171,214,960	665,198,588
Insurance Replacement Value	2,959,663,048	--
Gain on Disposal on Property and Equipment	**356,193,292**	**478,562,204**

Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, were pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (see Note 24).

Land and building, vehicles, furniture, fixtures and office equipment and tools and medical equipment of PT Golden First Atlanta, a subsidiary, were pledged as collateral for loan obtained from PT Bank Central Asia Tbk (see Note 24).

There is no borrowing cost capitalized into property and equipment.

The Group's management is in the opinion that there is no impairment in the carrying value of property and equipment as of December 31, 2015.

16. Intangible Assets

Details of carrying value of intangible assets are as follows:

	2015			
	January 1, Rp	Addition Rp	Deduction Rp	December 31, Rp
Acquisition Cost				
Goodwill	512,723,760,675	--	--	512,723,760,675
Software	42,594,192,168	12,678,995,694	--	55,273,187,862
Total Acquisition Cost	555,317,952,843	12,678,995,694	--	567,996,948,537
Accumulated Impairment and Amortization				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	8,370,897,937	6,034,964,278	--	14,405,862,215
Total Accumulated Impairment and Amortization	27,031,502,255	6,034,964,278	--	33,066,466,533
Carrying Value	**528,286,450,588**			**534,930,482,004**

	2014			
	January 1, Rp	Addition Rp	Deduction Rp	December 31, Rp
Acquisition Cost				
Goodwill	340,360,922,514	172,362,838,161	--	512,723,760,675
Software	21,035,850,783	21,558,341,385	--	42,594,192,168
Total Acquisition Cost	361,396,773,297	193,921,179,546	--	555,317,952,843
Accumulated Impairment and Amortization				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	5,186,483,485	3,184,414,452	--	8,370,897,937
Total Accumulated Impairment and Amortization	23,847,087,803	3,184,414,452	--	27,031,502,255
Carrying Value	**337,549,685,494**			**528,286,450,588**

Current year amortization expenses of software was recorded as amortization expenses in other expenses.

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value 2015 Rp	Net Value 2014 Rp
PT Tunggal Pilar Perkasa	PT Rashal Siar Cakra Medika	2014	101,776,732,211	101,776,732,211
PT Manunggal Bumi Sejahtera	PT Asiatic Sejahtera Finance	2014	64,794,498,390	64,794,498,390
PT Wisma Jatim Propertindo	PT Anugerah Bahagia Abadi	2014	5,791,607,560	5,791,607,560
PT Koridor Usaha Maju	PT Medika Sarana Traliansia	2013	132,006,537,817	132,006,537,817
PT Lippo Malls Indonesia	PT Mulia Citra Abadi	2012	20,247,679,428	20,247,679,428
PT Primakreasi Propertindo	PT Bimasakti Jaya Abadi	2012	9,509,000,000	9,509,000,000
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Propertindo	PT Surya Megah Lestari	2012	5,680,000,000	5,680,000,000
PT Persada Mandiri Dunia Niaga	PT Ekaputra Kencana Abadi	2012	15,050,000,000	15,050,000,000
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
PT Medika Sarana Traliansia	PT Trisaka Raksa Waluya	2010	75,119,377	75,119,377
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
Total - Net			**494,063,156,357**	**494,063,156,357**

The management believes that the indentified impairment that occurred as of December 31, 2015 and 2014 have been assessed adequately.

17. Advances

	2015 Rp	2014 Rp
Advances for Land Acquisition	757,008,659,026	964,586,377,005
Advances for Construction	437,482,070,773	548,203,926,343
Advances for Acquisition of Property and Equipment	155,883,238,102	89,474,806,976
Others	79,557,793,409	107,675,283,284
Total	**1,429,931,761,310**	**1,709,940,393,608**

Advance for construction represents advance paid to contractors for projects construction.

On December 26, 2012, based on memorandum of understanding, PT Irama Karya Megah (IKM), a subsidiary, entered into a land purchase agreement located in Keputih and Gebang Putih administrative village, Surabaya with acquisition cost amounted to Rp250,000,000,000. Until completion date of the consolidated financial statements, there has not yet binding for such land purchase agreement.

On January 7, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, amended the land sales and purchase agreement which was signed on December 17, 2012 for purchase consideration of Rp300,000,000,000. As of December 31, 2014, LC has made payment in total of Rp170,100,000,000. On June 29, 2015, this advance was assigned to PT Swadaya Teknopolis (ST) as settlement for acquisition of Premium Venture International Ltd.

On February 19, 2014, PT Gunung Halimun Elok (GHE), a subsidiary, entered into sales and purchase agreement on land located in Bintaro. As of December 31, 2015 GHE has made total payment of Rp81,392,750,000.

On April 28, 2014 and October 1, 2014, PT Satriamandiri Idola Utama (SIU), a subsidiary, entered into sales and purchase agreement for land located at Kemang sub-district. As of December 31, 2015 SIU has made total payment of Rp94,333,672,500.

On May 28, 2014, PT Bahtera Perkasa Makmur (BPM), a subsidiary, entered into sales and purchase agreement for land located in Manado, North Sulawesi. As of December 31, 2015, BPM has made total payment of Rp26,165,625,000.

On July 22, 2014, PT Great Jakarta Inti Development (GJID), a subsidiary, entered into an agreement of transferring commercial rights of land located in Cibatu, Lippo Cikarang with PT Profita Sukses Abadi. Total value of the agreement is Rp 290,000,000,000. As of December 31, 2015 GJID has made total payment of Rp234,000,000,000.

In 2015, PT Sinar Surya Timur (SST), a subsidiary, entered into a land purchase agreement located in Kalimalang. As of December 31, 2015 SST has made total payment of Rp41,994,000,000.

18. Land for Development

	2015		2014	
	Area Sqm	Value Rp	Area Sqm	Value Rp
The Company	1,001,010	205,326,565,494	1,001,010	204,957,334,722
Subsidiaries				
PT Lippo Cikarang Tbk	1,196,782	594,919,336,757	1,383,883	396,834,940,859
PT Gowa Makassar Tourism Development Tbk	2,018,900	352,069,358,705	2,046,873	317,160,283,219
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Erabaru Realindo	702,371	22,845,087,500	702,371	22,845,087,500
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
PT Bahtera Pratama Wirasakti	83,405	15,520,541,679	83,405	15,520,541,679
PT Sejatijaya Selaras	84,162	12,927,010,894	84,162	12,856,345,276
Total	**6,201,105**	**1,369,660,864,310**	**6,416,179**	**1,136,227,496,536**

In 2014, land for development amounting to Rp441,635,251,200 was reclassified to inventory (see Note 8).

Land for development of the Group are located at Curug Wetan Village, Curug Kulon, Sukabakti in Curug District; Serdang Wetan Village, Rancagong in Legok District; Ciakar Village, Serdang Kulon, Cukang Galih, Tangerang Regency, Banten; Cipambuan Village in Citeureup District, Bogor Regency, West Java; Sukaresmi, Cibatu, Cicau, Sukamukti, Sirnajati, Jayamukti, Pasirsari in Lemahabang District, South Cikarang; Tanjung Merdeka Village, Barombong, Maccini Sombala, Tamanyeleng, Mariso, Benteng Somba Opu in Makassar, South Sulawesi.

Site development permits of each land have been obtained from their respective local governors.

19. Accrued Expenses

	2015 Rp	2014 Rp
Estimated Cost for Construction	471,969,907,693	726,197,777,129
Interest	106,151,996,274	95,652,427,787
Endowment Care Fund	82,274,482,324	59,696,987,047
Cost of Goods Sold	37,007,695,825	19,079,289,656
Professional Fees	28,898,365,453	5,028,416,670
Hedging Premium of Call Spread Option	24,104,472,806	22,083,103,440
Contract Service	22,599,833,938	21,642,499,126
Transfer of Land and Building Tax	14,379,150,583	16,986,811,984
Others (each bellow Rp10 billion)	219,082,642,747	163,556,164,961
Total	**1,006,468,547,643**	**1,129,923,477,800**

Accrued cost of goods sold represents accrued on unblilled hospitals cost of goods sold. This account will be reclassified to the appropriate account after the invoice is issued.

20. Taxation

a. Tax Expenses

Final Tax Expenses

Final tax expenses for the years ended December 31, 2015 and 2014 amounting to Rp206,527,925,189 and Rp372,429,257,496 respectively.

Details of Group's final tax expenses for the years ended as of December 31, 2015 and 2014 are as follows:

	2015 Rp	2014 Rp
The Company		
Rental Income - 10%	13,696,416,986	6,495,617,564
Transfer of Land and Building Right - 5%	--	1,180,073,713
Subsidiaries		
Rental Income - 10%	24,449,578,786	27,979,735,520
Transfer of Land and Building Right - 5%	168,381,929,417	336,773,830,699
Total Final Tax Expenses	**206,527,925,189**	**372,429,257,496**

Current Tax and Deferred Tax

	2015			2014		
	Company Rp	Subsidiaries Rp	Consolidated Rp	Company Rp	Subsidiaries Rp	Consolidated Rp
Current Tax Expenses	3,567,964,325	216,055,488,269	219,623,452,594	12,757,900,518	159,297,371,451	172,055,271,969
Correction of Previous Period	1,409,157,671	16,034,326,405	17,443,484,076	12,636,647,110	2,926,914,527	15,563,561,637
Deffered Tax Expenses (Benefits)	2,298,617,103	21,343,663,107	23,642,280,210	1,495,416,217	(5,106,292,107)	(3,610,875,890)
Total Income Tax Expenses	**7,275,739,099**	**253,433,477,781**	**260,709,216,880**	**26,889,963,845**	**157,117,993,871**	**184,007,957,716**

The reconciliation between profit before tax as presented in the consolidated statements of profit or loss and other comprehensive income and the Company's estimated fiscal income is as follows:

	2015 Rp	2014 Rp
Profit before Tax as Presented in the Consolidated Statements of Profit or Loss and Other Comprehensive Income	1,284,829,851,140	3,323,959,216,205
Deduct: Income of Subsidiaries, Associates and Joint Venture	(2,684,091,833,063)	(3,985,255,789,928)
Loss before Company's Income Tax	(1,399,261,981,923)	(661,296,573,723)
Temporary Differences		
Allowance for Impairment in Value Receivable	286,084,804	646,500,460
Salaries and Employee Benefits	2,839,088,080	1,840,189,000
Depreciation of Direct Ownership of Property and Equipment	(5,016,194,552)	(1,164,907,584)
Deferred Gain on Sale and Leaseback Transactions	(7,303,446,744)	(7,303,446,744)
Subtotal	(9,194,468,412)	(5,981,664,868)
Permanent Differences		
Revenue Subjected to Final Tax	1,349,742,769,397	675,520,843,821
Interest Income Subjected to Final Tax	(205,750,554)	(670,376,914)
Tax Expenses	73,114,228,981	43,077,101,985
Donation and Representation	77,059,809	382,271,772
Subtotal	1,422,728,307,633	718,309,840,664
Estimated Fiscal Income for the Year	**14,271,857,298**	**51,031,602,073**
Estimated Current Tax - Company	**3,567,964,325**	**12,757,900,518**
Deduct:		
Prepaid Income Tax		
Article 25	(174,933,756)	(237,945,168)
Article 23	(142,222,826)	(119,273,450)
Estimated Current Tax Payable - Company	**3,250,807,743**	**12,400,681,900**

Until issuance date of these consolidated financial statements, the Company has reported the 2014 annual Tax Return (SPT) to the tax office. Reported taxable income and tax expense for the year 2014 immaterially varied from SPT submitted by the Company to the tax office.
Calculation of estimated current tax and tax payable of subsidiaries is as follows:

	2015 Rp	2014 Rp
Estimated Income Tax - Subsidiaries	**702,767,803,760**	**329,218,246,922**
Current Tax Expenses - Non-Final	216,055,488,269	159,297,371,451
Tax Credit	(179,452,571,287)	(57,140,763,146)
Income Tax Payable Article 29 - Current Year	36,602,916,982	102,156,608,305
Income Tax Payable Article 29 - Prior Year	22,153,302,625	10,820,425,688
Income Tax Payable Article 29 - Subsidiaries	**58,756,219,607**	**112,977,033,993**

The reconciliation between the Company's tax expense and the multiplication of the consolidated profit before income tax with the prevailing tax rate is as follows:

	2015 Rp	2014 Rp
Profit before Tax as Presented in the Consolidated Statements of Profit or Loss and Other Comprehensive Income	1,284,829,851,140	3,323,959,216,205
Deduct: Income of Subsidiaries, Associates and Joint Venture	(2,684,091,833,063)	(3,985,255,789,928)
Loss before Company's Income Tax	(1,399,261,981,923)	(661,296,573,723)
Income Tax Expense at Effective Tax Rate 25%	(349,815,495,481)	(165,324,143,431)
Revenue Subject to Final Tax	338,844,850,022	181,516,858,067
Interest Income Subject to Final Tax	(51,437,639)	(167,594,229)
Donation and Representation	19,264,952	95,567,942
Tax Expenses	18,278,557,245	10,769,275,496
Total Tax Expense of the Company	**7,275,739,099**	**26,889,963,845**
Tax Expense of the Subsidiaries		
Deferred Tax	21,343,663,107	(5,106,292,107)
Current Tax and Previous Years Correction	232,089,814,674	162,224,285,978
Total Subsidiaries Tax Expenses	253,433,477,781	157,117,993,871
Total	**260,709,216,880**	**184,007,957,716**

b. Deferred Tax Asset and Liabilities

Details of the Group's deferred tax assets and liabilities are as follows:

	January 1, 2015	Charged (Credited) to Consolidated Profit or Loss	Additions from Business Combination	Other Comprehensive Income	December 31, 2015
	Rp	Rp	Rp	Rp	Rp
The Company					
Amortization of Deferred Income from Sale and Lease Back Transactions	12,675,616,315	(1,825,861,686)	--	--	10,849,754,629
Estimated Long-term Employee Benefits Liabilities	4,117,781,250	709,772,020	--	815,050,479	5,642,603,749
Allowance Impairment in Value	3,127,251,723	71,521,201	--	--	3,198,772,924
Depreciation	(10,793,135,963)	(1,254,048,638)	--	--	(12,047,184,601)
	9,127,513,325	(2,298,617,103)	--	815,050,479	7,643,946,701
Subsidiaries	54,791,394,319	(10,192,060,118)	--	(5,292,913,624)	39,306,420,577
Deferred Tax Assets	**63,918,907,644**	**(12,490,677,221)**	**--**	**(4,477,863,145)**	**46,950,367,278**
Subsidiaries Deferred Tax Liabilities	**28,147,868,966**	**11,151,602,989**	**294,203,676**	**--**	**39,593,675,631**

	January 1, 2014	Charged (Credited) to Consolidated Profit or Loss	Additions from Business Combination	Other Comprehensive Income	Correction	December 31, 2014
	Rp	Rp	Rp	Rp	Rp	Rp
The Company						
Amortization of Deferred Income from Sale and Lease Back Transactions	14,501,478,001	(1,825,861,686)	--	--	--	12,675,616,315
Estimated Long-term Employee Benefits Liabilities	3,231,946,250	460,047,250	--	425,787,750	--	4,117,781,250
Allowance Impairment in Value	2,965,626,608	161,625,115	--	--	--	3,127,251,723
Depreciation	(10,501,909,067)	(291,226,896)	--	--	--	(10,793,135,963)
	10,197,141,792	(1,495,416,217)	--	425,787,750	--	9,127,513,325
Subsidiaries	42,453,008,010	5,071,032,431	76,024,196	5,625,394,112	1,565,935,570	54,791,394,319
Deferred Tax Assets	**52,650,149,802**	**3,575,616,214**	**76,024,196**	**6,051,181,862**	**1,565,935,570**	**63,918,907,644**
Subsidiaries Deferred Tax Liabilities	**11,983,104,371**	**1,530,675,893**	**14,634,088,702**	**--**	**--**	**28,147,868,966**

Management believes that the deferred tax assets can be recovered through future taxable profits in the future.

c. Prepaid Taxes

	2015	2014
	Rp	Rp
Income Taxes		
Article 21	865,100	2,344,514
Article 4 (2)	416,170,622,193	404,201,707,819
Article 22	857,054,182	296,725,405
Article 28. a	6,991,456,142	6,991,456,142
Value Added Tax	393,395,177,617	209,977,210,971
Total	**817,415,175,234**	**621,469,444,851**

d. Taxes Payable

	2015	2014
	Rp	Rp
Income Taxes		
Article 4 (2)	68,025,769,772	185,566,409,240
Article 21	39,806,304,655	24,287,992,522
Article 22	6,893,741,447	--
Article 26	20,639,437	15,989,757
Article 29	62,007,027,350	125,377,715,893
Value Added Tax	48,390,142,668	309,528,107,956
Hotel and Restaurant Tax	3,271,259,437	2,832,043,246
Entertainment Tax	559,083,999	581,824,479
Total	**228,973,968,765**	**648,190,083,093**

e. Administration

Fiscal laws in Indonesia requires that each company calculate, determine and pay the amount of tax payable individually.

Based on the prevailing laws, the Director General of Tax ("DJP") may asses or amend taxes within a certain period of time. For fiscal years 2007 and earlier, the period is ten years since the tax become payable but not more than 2013, while for the fiscal years 2008 and onwards, the period is five years from the time of the tax become payable.

Details of letters of Tax Underpayment Assesment Letter (SKPKB) obtained by the Company and subsidiaries in 2015 and 2014 are as follows:

2015			
Fiscal Year	Entity	Taxes Category	Amount Rp
2012	The Company	Income Tax Article 4 (2)	4,747,002,838
		Income Tax Article 15	250,975,552
		Income Tax Article 21	1,403,636,148
		Income Tax Article 26	1,903,200,206
		Income Tax Article 29	112,797,370
		Value Added Tax	831,057,718
2012	PT Almaron Perkasa	Income Tax Article 4 (2)	6,595,613,164
		Income Tax Article 21	215,939,911
		Income Tax Article 23	585,673,755
		Income Tax Article 29	2,035,663,410
		Value Added Tax	20,988,697,173
	PT Gading Nusa Utama	Income Tax Article 29	11,711,259,910
	PT Gowa Makassar Tourism Development Tbk	Income Tax Article 4 (2)	667,026,060
		Income Tax Article 29	519,811,150
		Value Added Tax	5,156,499,312
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	133,820,923
		Income Tax Article 23	758,292,644
		Income Tax Article 29	788,163,085
		Value Added Tax	294,748,680
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	72,438,723
		Income Tax Article 23	2,247,598,340
2011	The Company	Income Tax Article 4 (2)	6,272,552,955
		Income Tax Article 21	1,007,638,508
		Income Tax Article 23	668,612,865
		Income Tax Article 26	2,495,872,114
		Income Tax Article 29	1,296,360,302
		Value Added Tax	1,179,975,627
	PT Pendopo Niaga	Income Tax Article 4 (2)	5,361,999,791
		Value Added Tax	5,245,910,103
	PT Graha Tata Cemerlang Makassar	Income Tax Article 4 (2)	667,945,460
		Income Tax Article 23	491,274,606
		Income Tax Article 29	979,428,850
		Value Added Tax	1,451,133,192
	PT Siloam Karya Sejahtera	Income Tax Article 4 (2)	995,855,561
		Income Tax Article 23	136,695,997
2010	The Company	Income Tax Article 21	195,820,594
		Income Tax Article 23	90,720,461

2014			
Fiscal Year	Entity	Taxes Category	Amount Rp
2012	PT Surya Mitra Jaya	Income Tax Article 4 (2)	1,798,033,100
		Income Tax Article 21	5,998,021
		Income Tax Article 23	14,679,962
		Income Tax Article 29	495,377,120
		Value Added Tax	4,409,530,584
	PT Jagat Pertala Nusantara	Income Tax Article 4 (2)	3,769,356
		Income Tax Article 23	514,353
		Income Tax Article 29	1,257,331,142
		Value Added Tax	6,799,295
2011	PT Surya Mitra Jaya	Income Tax Article 4 (2)	6,797,492,075
		Income Tax Article 21	2,499,455
		Income Tax Article 23	17,852,948
		Income Tax Article 29	705,899,115
		Value Added Tax	15,813,436,974
	PT Jagat Pertala Nusantara	Income Tax Article 4 (2)	2,499,646,000
		Income Tax Article 29	468,307,150
2009	The Company	Income Tax Article 4 (2)	3,725,674,898
		Income Tax Article 29	247,492,702
		Value Added Tax	2,127,750,033

21. Trade Accounts Payable – Third Parties

	2015 Rp	2014 Rp
Contractors	406,677,512,278	94,833,342,953
Supplier	231,871,520,480	232,404,843,283
Doctor Fees	100,294,181,694	74,649,048,117
Others	44,073,082,372	2,287,063,138
Total	**782,916,296,824**	**404,174,297,491**

There is no collateral given by the Group on these payables.

Trade Payable denominated in Rupiah and foreign Currency. Trade payable denominated in foreign currency is presented in Notes 45 and 47.

22. Short-Term Bank Loans

	2015 Rp	2014 Rp
Third Parties		
PT Bank Mega Tbk	630,000,000,000	--
PT Bank Negara Indonesia (Persero) Tbk	220,000,000,000	170,000,000,000
PT Bank ICBC Indonesia	75,000,000,000	--
PT Bank Mandiri (Persero) Tbk	35,000,000,000	--
PT Bank Central Asia Tbk	2,173,564,967	3,540,195,011
Total	**962,173,564,967**	**173,540,195,011**

PT Bank Mega Tbk
Based on Credit Agreement No. 135 dated October 30, 2015 which was made in the presence of Mellyani Noor Shandra, S.H, a notary in Jakarta and last amended in Amendement of Credit Agreement No 24 dated December, 7, 2015, PT Mandiri Cipta gemilang (MCG) obtained credit facility with maximum credit limit amounted to Rp1,200,000,000,000. This facility bears an interest of 14.5% per annum and will mature on October 30, 2016. As of December 31, 2015 credit facility used by MCG amounted to Rp730.000.000.000.

Secured assets for this facility are as follows:
- Land owned by MCG with an area of 35,351 sqm located in Kembangan Selatan Village, Kembangan District Daerah Khusus Ibukota (DKI) Jakarta Province (see Note 8); and
- Land owned by MCG with an area of 38,365 sqm located in Kembangan Selatan Village, Kembangan District DKI Jakarta Province (see Note 8).

As of December 31, 2015, outstanding balance for this facility amounted to Rp630,000,000,000.

PT Bank Negara Indonesia (Persero) Tbk
- Based on Credit Agreement No. 44 dated March 29, 2007 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (8) 44 dated June, 30, 2014, the Company obtained Working Capital Facility (KMK) with maximum loan amounted to Rp250,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2016. As of December 31, 2015 and 2014, outstanding balance for this facility amounted to Rp200,000,000,000 and Rp170,000,000,000, respectively.

- Based on Credit Agreement No. 34 dated October 30, 2006 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (9) 34 dated June, 30 2014, the Company obtained Working Capital Facility (KMK) with maximum loan amounted to Rp20,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2016. As of December 31, 2015 and 2014, outstanding balance for this facility amounted to Rp20,000,000,000 and nil, respectively.

Both facilities are secured by 21,940 sqm of land in Lippo Village Residences, Jl. Boulevard Jend, Sudirman, Kelapa Dua Village, Curug District, Tangerang, Banten, with details as follows:
1. Building Right (SHGB) No. 3695 with an area of 340 sqm dated January 9, 1998 (Certificate due date January 9, 2028) which is registered under the name of the Company (see Note 8).
2. SHGB No. 2866 with an area of 15,235 sqm dated April 4, 1997 (Certificate due date September 24, 2022) which is registered under the name of the Company (see Note 8).
3. SHGB No. 4028 with an area of 6,365 sqm dated August 6, 1998 (Certificate due date August 6, 2028) which is registered under the name of the Company (see Note 8).

Interest and borrowing costs capitalized to inventory for the year ended December 31, 2015 amounted to Rp23,901,812,789 (see Note 8).

PT Bank ICBC Indonesia

The Company
Based on Credit Agreement No. 85 dated October 25, 2012 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta and last amended in Extention Credit Agreement No. 143/ICBC-MK/PTD/X/2011/P4 dated November 5, 2014, the Company obtained Credit Facility with maximum credit limit amounted to Rp70,000,000,000. This facility bears an interest of 12% per annum and will mature on October 25, 2015. As of December 31, 2015 and 2014, outstanding balance for this facility amounted to Rp45,000,000,000 and nil, respectively.

Interest and borrowing costs capitalized to inventory for the years year ended December 31, 2015 amounting to Rp7,463,773,367 (see Note 8).

PT Lippo Cikarang Tbk
Based on Deed of Loan Agreement No. 86 dated October 20, 2010 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, and has been amended several times and the latest amended on December 18, 2013 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P4, PT Lippo Cikarang Tbk, a subsidiary, obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia with maximum credit limit amounted to Rp30,000,000,000 with the rate of 12% per annum. This loan can be used for working capital purposes and will mature on October 25, 2016. This Loan is secured by a parcel of land with the area of 38,901 sqm, with the Landright (HGB) No. 178/Sukaresmi registered under the name of PT Waska Sentana, a subsidiary (see Note 8). As of

December 31, 2015 and 2014 oustanding balance for this facilitiy amounted to Rp30,000,000,000 and nil, respectively.

PT Bank Mandiri (Persero) Tbk
Based on Credit Agreement No. 05 dated April 23, 2015 which was made in the presence of Andi Fitriani S.H., M.Kn a notary in Makassar, PT Gowa makassar Tourism Development Tbk (GMTD), a subsidiary, obtained Working Capital Facility (KMK) with maximum credit limit amounted to Rp50,000,000,000. This facility bears an interest of 12% per annum and will due on April 23, 2016. This facility is secured by 180,634 sqm land for development in Barombong Village, District Tamalate, Makassar City (see Note 18). Subsequently, based on the amendment of the credit agreement dated January 22, 2016, which made in the presence of the same notary the maximum credit limit of KMK increased from Rp50,000,000,000 to Rp200,000,000,000 and the collateral of land for development increased from previously 180,634 sqm become 212,642 sqm and will due on January 21, 2017.

Outstanding balance of the facility as of December 31, 2015 amounted to Rp35,000,000,000.

PT Bank Central Asia Tbk
Based on Credit Agreement No. 1 dated April 1, 2003 which was made in the presence of Yandes Effriady, S.H., a notary in Jambi and Letter of Lending No. 0242/JAM/2010 dated February 3, 2010, amendment of Credit Agreement No. 54 dated July 19, 2010 which was made in the presence of Hasan S.H., a notary in Jambi, which later amended with renewal Letter No. 1041/Jan/2015 dated May 21, 2015, PT Golden First Atlanta (GFA), a subsidiary, received facility Local Credit (Overdraft) with maximum loan amounted Rp5,000,000,000. This facility bears an interest of 12.5% per annum. Collateral for this facility is cross colleteral with long-term facilitiy (see Note 24).

23. Other Current Financial Liabilities

	2015 Rp	2014 Rp
Third Parties		
Payables to Noncontroling Interest of a Subsidiary	153,604,952,956	--
Unidentified Payments	105,064,391,827	205,960,812,485
Transfer of Title	39,120,041,217	89,157,814,080
Payable from acquisition of a subsidiary	12,062,499,966	20,366,632,213
Other Payables	30,014,046,734	93,305,232,386
Total	**339,865,932,700**	**408,790,491,164**

Unidentified payments represent receipt of collection have not yet identifiable by the Group.

24. Long-Term Bank Loans

	2015 Rp	2014 Rp
Third Parties		
PT Bank CIMB Niaga Tbk	290,596,043,447	--
PT Bank J Trust Indonesia Tbk	198,889,752,826	--
Bank Pembangunan Daerah Kalimantan Timur	24,041,220,753	29,993,214,251
PT Bank Central Asia Tbk	6,483,862,981	12,967,725,976
Total	520,010,880,007	42,960,940,227
Current Portion	48,261,246,570	12,435,856,488
Non-Current Portion	**471,749,633,437**	**30,525,083,739**

Bank CIMB Niaga Tbk
Based on credit agreement No. 23, dated August 18, 2015, which was made in presence of Unita Christina Winata, S.H., a notary in Jakarta, PT Pamor Paramita Utama (PPU), a subsidiary, obtained special transaction loan facilities (on liquidation basis) with the maximum credit limit amounting to Rp450,000,000,000 divided into two tranches as follows:

- Special Transaction A facility (Tranche A) with maximum plafond of Rp300,000,000,000 for the purpose of refinancing cost of development of Lippo Mall Kuta and Hotel. Tenor of this credit is

7 years or 84 months, bears an interest rate of 11% per annum. As of December 31, 2015, outstanding facility obtained by PPU amounted to Rp300,000,000,000.

- Special Transaction B facility (Tranche B) with maximum plafond of Rp150,000,000,000 for the purpose of developing 5 stars Hotel in Kuta – Bali. Tenor of this credit is 7 years or 84 months, bears an interest rate of 11% per annum. As of December 31, 2015, PPU has not yet used this facility.

These loans are secured by land with an area of 21,150 sqm and Building Right (HGB) No.875/ KUTA located at Jalan Kartika Plaza, Kuta, Subdistrict, Subprovince Badung, Bali Province in the name of PPU (see Note 8).

For these facilities, PPU is required to maintain financial ratios based on audited financial statements as follows:

- Debt Services Coverage Ratio (DSCR) at a minimum 1x from 2017 to 2022.
- Bank loan to Earning Before Interest Tax, Depreciation and Amortization (EBITDA) ratio at a maximum 4x in 2017, 3x in 2018, 2x in 2019, 1.5x in 2020 and 1x in 2022.
- Gearing Ratio at a maximum 3,5x in 2017, 2,5x in 2017, 1,5x in 2019 and 1x in 2020 to 2022

The payment of this loan for the year ended December 31, 2015 amounted to Rp9,403,956,553.
As of December 31, 2015 the outstanding balance of the Tranche A facility amounted to Rp290,596,043,447.

PT Bank J Trust Indonesia Tbk
Based on letter of credit confirmation (SPK) No. 018/SPK/JTrust/CBD/X/2015 dated November 26, 2015, PT Asiatic Sejahtera Finance (ASF), a subsidiary, obtained a term installment credit facility with a maximum amount of Rp240,000,000,000 and bears interest rate of 12.25% per annum for the purpose of financing of mortage agreement (KPR) which will mature not more than 5 (five) years and 13% for financing of KPR that will due between 5-15 years. This facility was used to funding of Group's property KPR. This loan will mature on February 25, 2019.

Trade Receivables of ASF amounted to Rp272,913,000,000 used as colleteral for this facility (see Note 5).

The payment of this loan for the year ended December 31, 2015 amounted to Rp5,308,311,241.

As of December 31, 2015 the outstanding balance of this facility amounted to Rp198,889,752,826.

Bank Pembangunan Daerah Kalimantan Timur
Based on Deed of Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum amount of Rp50,000,000,000 bears interest rate of 11.5% per annum. This loan was used to funding development of hospitals and paying its loan obtained from PT Bank Mandiri (Persero) Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Gang Bahagia, Balikpapan which is registered under the name of BDH (see Note 15).
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000 (see Note 15).

There is no restrictive financial ratio which should be maintained by BDH.

Loan payments for the year ended December 31, 2015 amounted to Rp Rp5,951,993,498.
As of December 31, 2015 and 2014 the oustanding balances of this facility amounted to Rp24,041,220,753 and Rp29,993,214,251, respectively.

PT Bank Central Asia Tbk

Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amendement of Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S.H., a notary in Jambi and the latest of Credit Agreement No. 1041/Jan/2015 dated May 21, 2015, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:

- Local Credit Facility (Current Account) at a maximum amount of Rp5,000,000,000.
- Investment Credit Facility at a maximum amount of Rp32,419,314,946.

Both facilities bear an annual interest rate of 12.5% and will mature on May 5, 2016 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:

- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary (see Note 15).
- Medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments (see Notes 5, 8 and 15).

Based on the loan agreement, GFA has to maintain maximum debt to equity ratio of 2.2x. As of December 31, 2015 and 2014, GFA has complied with the required debt ratio.

The payment of loan for the year ended December 31, 2015 amounted to Rp7,850,493,036.

As of December 31, 2015 and 2014, the oustanding balances of this facility amounted to Rp6,483,862,981 and Rp12,967,725,976, respectively.

25. Bonds Payable

	2015 Rp	2014 Rp
Nominal (2015: USD803,306,000; 2014: USD803,306,000)	11,081,606,270,000	9,993,126,640,000
Premium - Net	79,896,818,785	99,639,856,615
Bond Issuance Cost - Net	(278,444,076,969)	(312,155,200,064)
Total	**10,883,059,011,816**	**9,780,611,296,551**
Premium (net of discount)	136,811,912,500	123,373,700,000
Less : Accumulated Amortization	(56,915,093,715)	(23,733,843,385)
Unamortized Premium	79,896,818,785	99,639,856,615
Bond Issuance Costs	440,735,932,791	415,926,919,271
Less : Accumulated Amortization	(162,291,855,822)	(103,771,719,207)
Unamortized Bond Issuance Cost	**278,444,076,969**	**312,155,200,064**

The Company initiated several fund raising by issuing bonds to support the Group's business.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity year and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will due on April 30, 2015.

Payment of interest will be conducted every 6 months. These bonds have been fully paid on November 14, 2012 and April 30, 2013, respectively.

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD100,000,000. Both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity year and will due on May 16, 2019. Payment of interest is conducted every 6 months. As of December 31, 2015 and 2014, accrued interest expense amounted to USD2,138,889 and USD2,138,889 (equivalent to Rp29,505,973,755 dan Rp26,607,779,160), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, TC, a subsidiary, issued unsecured bonds with nominal value of USD273,306,000 in exchange with bond of SC for a nominal value of USD253,713,000 and paid USD22,666,000. This bonds bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of December 31, 2015 and 2014, accrued interest expense amounted to USD2,185,499 and USD2,185,499 (equivalent to Rp30,148,958,705 and Rp27,187,607,560), respectively.

On January 14, 2013, TC, a subsidiary, issued unsecured bonds with a nominal value of USD130,000,000 with a fixed interest rate of 6.125% per year and are listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and payment of interest is conducted every 6 months. As of December 31, 2015 and 2014 accrued interest expenses amounted to USD1,039,549 and USD1,039,549 (equivalent to Rp14,340,578,455 and Rp12,931,989,560), respectively.

On April 30, 2013, SC, a subsidiary, has been fully paid the remaining bond amounting to USD119,229,000 at a price of 104.5%.

On April 11, 2014, TC, a subsidiary, issue unsecured bonds with a nominal value of USD150,000,000 with a fixed interest rate of 7% per year and are listed on the Singapore Stock Exchange. The bonds will mature on April 11, 2022 and payment of interest is conducted every 6 months. As of December 31, 2015 and 2014 accrued interest expenses amounted to USD1,429,167 and USD1,429,167 (equivalent to Rp19,715,358,765 and Rp17,778,837,480), respectively.

Borrowing costs capitalized into land under development for the years ended December 31, 2015 and 2014 amounting to Rp853,470,852,432 and Rp575,116,386,833, respectively (see Note 8).

These bonds have been rated BB- by Standard & Poor's and Fitch and Ba3 by Moody's.

The Company has to comply with certain restrictions under bond covenants as stipulated in the Offering Circular.

The Company entered into Non-Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on these foreign currency denominated bonds (see Note 43.d).

26. Long-Term Post-Employment Benefits Liability

Post-Employment Benefits – No Funding Defined Benefit Plan

Group appointed independent actuaries to determine post-employment liability in accordance with the existing manpower regulations. The management has provided reserve on post-employment benefits liability as of December 31, 2015 and 2014. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

Post-employment benefits recognized in the consolidated statements of financial position are as follows:

	2015 Rp	2014 Rp
Present Value of Defined Benefit Obigation, end of year	311,085,515,426	255,676,668,775
Fair Value Asset Plan	--	--
Total	**311,085,515,426**	**255,676,668,775**

The details of post-employment benefits expense recognized in the consolidated statements of profit or loss and other comprehensive income are as follows:

	2015 Rp	2014 Rp
Current Service Cost	39,604,042,307	38,126,492,752
Interest Expense	20,723,976,143	14,789,799,543
Total	**60,328,018,450**	**52,916,292,295**

Post-employment benefits expense is recorded as part of salaries and employee's benefits expense.

Reconciliation of changes in liabilities recognized in the consolidated statements of financial position is as follow:

	2015 Rp	2014 Rp
Beginning Balance	255,676,668,775	207,278,972,418
Payment of Employees' Benefits	(13,833,177,065)	(23,567,563,467)
Other Comprehenship Income	8,914,005,266	19,048,967,529
Current Service Cost and Interest Expenses	60,328,018,450	52,916,292,295
Ending Balance	**311,085,515,426**	**255,676,668,775**

Reconciliation of changes in present value of defined benefits obligation is as follows:

	2014 Rp	2013 Rp
Present Value of Defined Benefits Obigation at Beginning Year	255,676,668,775	207,278,972,418
Current Service Cost	39,604,042,307	38,126,492,752
Interest Expense	20,723,976,143	14,789,799,543
Payment of Employees' Benefits	(13,833,177,065)	(23,567,563,467)
Expected Present Value of Defined Benefits Obligation at End of Year	**302,171,510,160**	**236,627,701,246**
Actual Present Value of Defined Benefits Obligation at End of Year	**311,085,515,426**	**255,676,668,775**
Actuarial Loss Current Year	**(8,914,005,266)**	**(19,048,967,529)**

Movement of consolidated of other comprehenshive income is as follow:

	2015 Rp	2014 Rp
Beginning Balance	(57,674,352,087)	(38,625,384,558)
Other Comprehenshive Income Current Year	(8,914,005,266)	(19,048,967,529)
Ending Balance	**(66,588,357,353)**	**(57,674,352,087)**

The defined benefits plan gives the Group exposure of interest rate risk and salary risk.

Interest Risk
The present value of the defined benefits plan liability is calculated using the interest of government bond, therefore, the decreasing in the government bond interest rate will increase defined benefits plan liability.

Salary Risk
The present value of the defined benefits plan is calculated using the assumption of future salaries increase, therefore, the increasing of salary percentage will increase defined benefits plan liability.

Sensitivity analysis

Increasing 1% of assumed discount rate on December 31, 2015, will impact to the decrease of employee benefits expenses amounted to Rp2,066,038,574 and the decrease of defined benefits plan obligation by Rp15,414,059,124.

Decreasing 1% of assumed discount rate on December 31, 2015, will impact to the increase of employee benefits expenses amounted to Rp1,834,139,083 and the decrease of defined benefits plan obligation by Rp17,678,426,813.

Present value of defined benefits obligation, related current service cost and past service cost were calculated by independent actuaries using the following assumptions for the years ended December 31, 2015 and 2014:

	2015	2014
Discount Rates	8.00%-8.50%	8.90%
Salary Increase Projection Rate	8.00%	8.00%
Mortality Rate	TMI-2011	TMI-2011
Permanent Disability Rate	10% x TMI-2011	10% x TMI-2011
Resignation Rate	5.00%	5.00%

27. Advances from Customers

	2015 Rp	2014 Rp
Third Parties		
Residential Houses and Shophouses	2,416,961,151,575	2,364,903,776,124
Apartments	2,359,555,422,693	2,260,978,431,559
Shopping Centers	110,343,742,125	195,711,717,834
Land Lots	324,884,091,156	398,062,629,200
Total	5,211,744,407,549	5,219,656,554,717
Current Portion	863,192,440,180	2,523,984,487,387
Non-Current Portion	**4,348,551,967,369**	**2,695,672,067,330**

Details of the percentage of advances from customer to sales price are as follows:

	2015 Rp	2014 Rp
100%	4,182,357,444,064	3,461,924,959,363
50% - 99%	646,692,082,547	410,128,223,801
20% - 49%	371,357,549,130	365,433,924,067
Below 20%	11,337,331,808	982,169,447,486
Total	**5,211,744,407,549**	**5,219,656,554,717**

28. Deferred Income

	2015 Rp	2014 Rp
Related Party		
Rent (see Notes 11 and 43.b)	439,772,767,140	449,839,846,526
Third Parties		
Rent	341,175,896,024	288,452,303,263
Others	58,243,147,826	41,892,708,709
Subtotal	399,419,043,850	330,345,011,972
Total Deferred Income	839,191,810,990	780,184,858,498
Current Portion	480,093,178,686	362,175,439,809
Non-Current Portion	**359,098,632,304**	**418,009,418,689**

29. Deferred Gain on Sale and Leaseback Transactions

	2015 Rp	2014 Rp
Acquisition Cost	791,727,059,928	791,727,059,928
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	664,188,293,227	664,188,293,227
Proceeds	2,445,894,179,389	2,445,894,179,389
Less: Gain Credited to the Consolidated Statements of Profit or Loss and Other Comprehensive Income	70,196,779,840	70,196,779,840
Deferred Gain on Sale and Leaseback Transaction	1,711,509,106,322	1,711,509,106,322
Foreign Exchange Translation	142,456,546,067	106,411,728,221
Accumulated Amortization	(674,507,654,901)	(543,380,832,978)
Deferred Gain on Sale and Leaseback - Net	1,179,457,997,488	1,274,540,001,565
Current Portion	132,766,996,702	127,287,435,838
Non-Current Portion	**1,046,691,000,786**	**1,147,252,565,727**

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 43.b).

30. Capital Stock

The Company stockholders' composition as of December 31, 2015 and 2014 are as follows:

Stockholders	December 31, 2015 Total Shares	Percentage Ownership (%)	Issued and Fully Paid (Rp)
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800
PT Metropolis Propertindo Utama	1,212,280,000	5.32	121,228,000,000
Public (each bellow 5%)	17,432,685,211	76.56	1,743,268,521,100
Sub Total	**22,771,585,119**	**100.00**	**2,277,158,511,900**
Treasury Stocks	**306,104,500**		**30,610,450,000**
Total	**23,077,689,619**		**2,307,768,961,900**

Stockholders	December 31, 2014 Total Shares	Percentage Ownership (%)	Issued and Fully Paid (Rp)
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800
PT Metropolis Propertindo Utama	1,212,280,000	5.32	121,228,000,000
Tanri Abeng, MBA - Commsioner	150,000	--	15,000,000
Public (each bellow 5%)	17,432,535,211	76.56	1,743,253,521,100
Sub Total	**22,771,585,119**	**100.00**	**2,277,158,511,900**
Treasury Stocks	**306,104,500**		**30,610,450,000**
Total	**23,077,689,619**		**2,307,768,961,900**

The details acquisition of treasury stock are as follows:

Reporting Period	No. Register Letter to Bapepam - LK	Total Shares	Acquisition Cost (Rp)
2011	005/LK-COS/I/2012 Dated November 15, 2011	96,229,500	61,577,515,000
2012	175/LK-COS/VII/2012 Dated July 13, 2012	209,875,000	154,946,598,794
Total		**306,104,500**	**216,524,113,794**

31. Additional Paid in Capital - Net

	2015 Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
Total	**4,063,148,621,880**

Paid in Capital Excess of Par – Net

	Rp
Rights Issue I	
Paid in Capital Excess of Par - Net on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Subtotal	75,439,569,336
Rights Issue II	
Paid in Capital Excess of Par - Net on Stock on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	477,605,385,137
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	1,927,996,868,067
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	811,394,200,000
Total Paid in Capital Excess of Par - Net	**4,043,613,274,615**

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the business combination exercised under purchase method represents the difference between the highest share price reached during the 90 days year prior to the announcement of the business combination and par value of the Company's issued shares.

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

Difference in Value from Restructuring Transactions between Entities Under Common Control Net

	Rp
Transaction Before Business Combination	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	(4,677,115,352)
Transaction from Business Combination	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	(85,173,967,500)
Difference in Value	190,663,253,676
Realization	(84,027,724,260)
Net	106,635,529,416
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	(265,747,071,500)
Difference in Value	(196,519,120,943)
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	(39,637,690,500)
Difference in Value	159,677,075,500
Realization	(45,581,021,356)
Difference in Value, Net of Realization	114,096,054,144
Net	**19,535,347,265**

Difference in value from the restructuring transaction PT Saptapersada Jagatnusa (SPJN) was incurred during the Company's acquisition of SPJN in 2001.

Difference in value from restructuring transactions between entities under common control from business combination amounting to Rp190,663,253,676, Rp(196,519,120,943) and Rp159,677,075,500, respectively, were incurred from the merger of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta in 2004. The difference was determined from the difference in net asset value of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta and the nominal value of new shares issued by the Company.

32. Difference in Transactions with Non-Controlling Interest

On June 12, 2015, PT Kuta Beach Paragon, a subsidiary, acquired 13.5% shares of PT Graha Buana Utama (GBU) from PT Mahanaim with the price of Rp25,358,527,564. The excess of acquisition cost over the subsidiary's net assets amounted to Rp22,988,443,294 was recorded as difference in transactions with non-controlling interest.

On February 12, 2015, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired 25% shares of PT Wahana Usaha Makmur (WUM) from PT Mahanaim with the price of Rp15,334,000,000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp43,851,181,695 was recorded as difference in transactions with non-controlling interest.

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, subsidiaries, made disposal on its investment of 75,300,000 shares or equivalent to 6.51% and 17,500,000 shares or equivalent to 1.51% share ownership in PT Siloam International Hospitals Tbk (SIH) with the price per share of Rp12,250 amounted to Rp1,136,800,000. Gain on disposal of investments amounting Rp1,000,581,189,869 was recorded as difference in transactions with non-controlling interest.

On November 28, 2014, PT Tunggal Pilar Perkasa, a subsidiary, acquired 20% shares of PT Medika Sarana Traliansia (MST) from Steer Clear Ltd with the price of Rp45.030.000.000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp25,748,354,393 was recorded as difference in transactions with non-controlling interest.

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, made disposal on its investment of 82,500,000 shares in SIH or equivalent to 7.1% of the issued and fully capital stock in SIH with the price of Rp10,400 per share or Rp858,000,000,000. Gain on disposal of investments amounting to Rp741,092,494,948 was recorded as difference in transactions with non-controlling interest.

In 2013, several subsidiaries, acquired ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) of 3,400,000 shares or equivalent to 3.35% of the issued and fully paid shares of GMTD. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp5,645,114,201 was recorded as difference in transactions with non-controlling interest.

On September 2, 2013, PT Nilam Biru Bersinar, a subsidiary, made disposal on its investment of 5,900,000 shares in SIH or equivalent to 0.59% of the issued and fully capital stock in SIH. Gain on disposal of investments amounting Rp51,469,368,863 was recorded as difference in transactions with non-controlling interest.

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp45,889,312,357 was recorded as difference in transactions with non-controlling interest.

In 2012, WJP, a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp7,525,000,000 was recorded as difference in transactions with non-controlling interest.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd from Mappletree LM Pte. Ltd, a third party, and thus the ownership of Peninsula increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp177,677,727,750 was recorded as difference in transactions with non-controlling interest.

The following is the calculation of the difference in transactions with non-controlling interest:

	2015 Rp	2014 Rp
Shares Acquired from Non Controlling Interest		
Acquisition Cost	(384,406,170,421)	(343,713,642,857)
Net Asset Value of Acquired	163,553,107,510	101,827,714,166
Difference from Foreign Currency Translations	(21,105,562,928)	(21,105,562,928)
Sub total	**(241,958,625,839)**	**(262,991,491,619)**
Shares Disposal to Non Controlling Interest		
Purchase Consideration	2,047,900,000,000	911,100,000,000
Net Assets Disposed	(254,756,946,500)	(118,538,136,369)
Sub total	**1,793,143,053,500**	**792,561,863,631**
Total	**1,551,184,427,661**	**529,570,372,012**

33. Other Equity Transaction

On September 2, 2013, PT Siloam International Hospitals Tbk (SIH), a subsidiary, issued shares to public through initial public offering of 156,100,000 shares in Indonesia Stock Exchange. On the issuance of such new shares, the ownership of the Group in SIH changed from 100% to 85.99%. Changes in the value of investment before and after the transaction is Rp1,105,101,368,218.

34. Cash Dividend and Reserved Fund

Based on Deed of Annual General Meeting of Stockholders No. 39 dated June 12, 2015 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp380,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2014.

Based on Deed of Annual General Meeting of Stockholders No. 10 dated April 23, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp320,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2013.

35. Other Comprehensive Income

	2015 Rp	2014 Rp
Gain from Translations Financial Statements in Foreign Currency	426,111,052,423	670,172,145,549
Gain on Changes in Fair Value of Available-for-Sale Financial Assets	55,912,286,591	170,197,156,625
Total	**482,023,339,014**	**840,369,302,174**

Gain on Changes in Fair Value of Available-for-Sale Financial Assets

	2015 Rp	2014 Rp
Investment FREIT (see Note 6)		
Bridgewater International Ltd	552,993,489,390	573,756,360,982
Bowsprit Capital Corporation Ltd	121,247,751,413	131,109,596,159
PT Menara Tirta Indah	200,253,526,030	208,205,465,090
Investment LMIRT (see Note 6)		
Bridgewater International Ltd	(783,757,278,190)	(718,469,860,666)
LMIRT Management Ltd	(44,523,482,517)	(24,404,404,940)
Investment KIJA (see Note 6)		
Intellitop Finance Limited	9,698,280,465	--
Total	**55,912,286,591**	**170,197,156,625**

36. Non-Controlling Interests

Details of non-controlling interests in the equity of consolidated subsidiaries as of December 31, 2015 and 2014 are as follows:

	2015 Rp	2014 Rp
PT Lippo Cikarang Tbk	1,657,872,859,101	1,223,736,344,194
PT Siloam International Hospitals Tbk	499,034,941,181	346,607,714,721
PT Gowa Makassar Tourism Development Tbk	236,778,714,915	186,320,280,076
PT Darma Sarana Nusa Pratama	29,941,938,144	37,439,900,959
PT Metropolitan Permaisemesta	22,858,346,961	16,495,708,082
PT Pelangi Cahaya Intan Makmur	19,616,382,887	15,300,553,628
PT Wahana Usaha Makmur	--	179,558,514,763
Others	56,520,498,702	27,790,650,117
Total	**2,522,623,681,891**	**2,033,249,666,540**

37. Revenues

	2015 Rp	2014 Rp
Urban Development:		
Residential Houses and Shophouses	1,685,918,741,269	1,288,007,884,167
Land Lots	600,996,692,910	792,419,241,918
Memorial Park	182,525,464,986	154,312,510,936
Asset Enhancements	115,994,566,881	24,365,707,938
Others	44,381,421,233	3,385,837,313,260
Subtotal	2,629,816,887,279	5,644,942,658,219
Large Scale Integrated Development:		
Apartments	747,455,697,625	1,316,780,787,857
Asset Enhancements	26,004,180,000	18,573,230,831
Sub Total	773,459,877,625	1,335,354,018,688
Retail Malls:		
Asset Enhancements	239,461,210,837	301,814,592,074
Shopping Centres	989,575,751	5,002,190,010
Subtotal	240,450,786,588	306,816,782,084
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	970,803,101,313	745,130,966,397
Drugs and Medical Supplies	885,836,419,950	734,258,430,590
Ward Fees	362,387,046,730	286,678,643,530
Hospital Facilities	169,093,824,862	104,826,015,261
Operating Theater	109,323,687,592	80,610,771,450
Administration Fees and Others	87,130,498,008	73,809,842,167
Outpatient Department		
Medical Support Services and Professional Fees	961,402,538,011	777,240,395,844
Drugs and Medical Supplies	479,828,470,861	390,739,191,326
Hospital Facilities	51,120,796,660	36,017,024,986
Administration Fees and Others	67,191,918,598	111,482,090,321
Subtotal	4,144,118,302,585	3,340,793,371,872
Hospitality and Infrastructure:		
Hotels and Restaurants	297,202,184,331	293,057,746,657
Town Management	250,468,210,577	201,889,194,894
Water and Sewage Treatment	132,487,177,722	130,432,915,634
Recreation and Sports	69,558,547,194	68,579,335,428
Others	35,286,475,718	27,134,310,000
Subtotal	785,002,595,542	721,093,502,613
Property and Portfolio Management:		
Management Fees	337,329,541,732	306,041,413,531
Total Gross Revenues	**8,910,177,991,351**	**11,655,041,747,007**

Management fees revenue represents revenue from management services of shopping centers and manager of REIT. Assets enhancement revenues represents revenue from leasing of the Group’s assets. There are no sales above 10% of net revenues for the years ended December 31, 2015.

Sales from urban development others in 2014 mainly from sales of Mall Kemang amounted to Rp3,371,771,428,571 to Lippo Malls Indonesia Retail Trust, which represent 28.93% of the consolidated net revenue for the year ended December 31, 2014.

38. Cost of Revenue

	2015 Rp	2014 Rp
Urban Development:		
Residential Houses and Shophouses	721,308,006,403	535,145,354,479
Land Lots	230,309,297,145	317,425,529,524
Memorial Park	30,411,813,520	28,293,223,900
Asset Enhancements	4,806,551,346	1,527,768,265
Others	13,321,081,188	1,993,498,656,624
Subtotal	1,000,156,749,602	2,875,890,532,792

	2015 Rp	2014 Rp
Large Scale Integrated Development:		
Apartments	359,665,483,319	622,124,714,562
Asset Enhancements	1,669,031,205	1,669,031,205
Subtotal	361,334,514,524	623,793,745,767
Retail Malls:		
Asset Enhancements	12,948,568,007	4,547,897,815
Shopping Centres	400,117,384	2,008,687,932
Subtotal	13,348,685,391	6,556,585,747
Healthcare:		
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	871,359,980,585	653,494,603,737
Drugs and Medical Supplies	517,025,828,840	460,438,028,755
Depreciation	154,983,826,179	118,051,021,086
Clinical Supplies	65,462,019,209	58,631,395,654
Food and Beverages	64,592,975,663	52,502,661,183
Referral Fees	43,780,801,233	24,937,753,143
Others	95,418,112,873	67,326,860,305
Outpatient Department		
Professional Fees, Salaries and Employee Benefits	559,462,551,885	453,472,276,368
Drugs and Medical Supplies	391,375,899,349	325,198,839,748
Depreciation	90,749,317,888	68,296,297,893
Clinical Supplies	30,443,747,092	30,969,518,309
Referral Fees	51,160,524,558	30,359,422,835
Others	62,021,845,131	45,052,375,055
Subtotal	2,997,837,430,485	2,388,731,054,071
Hospitality and Infrastructure:		
Town Management	153,218,707,827	155,281,378,967
Hotels and Restaurants	107,509,941,722	103,176,883,692
Water and Sewage Treatment	98,036,433,057	53,351,815,750
Recreation and Sports	22,775,181,378	21,433,100,567
Others	19,714,264,356	15,084,850,037
Subtotal	401,254,528,340	348,328,029,013
Property and Portfolio Management:		
Management Fees	17,724,191,840	14,364,162,798
Total Cost of Sales	**4,791,656,100,182**	**6,257,664,110,188**

There are no purchases above 10% of net revenues for respective years.

39. Operating Expenses

	2015 Rp	2014 Rp
Selling Expenses		
Advertising and Marketing	293,514,231,262	291,407,255,832
Salaries and Employee Benefits	152,543,845,009	120,726,177,370
Management Fees	40,211,092,138	39,478,439,145
Repairs and Maintenance	36,670,762,052	28,891,084,990
Depreciation (see Notes 14 and 15)	23,706,804,325	19,801,798,252
Transportation and Accommodation	18,239,128,540	10,176,612,357
Electricity and Water	12,541,924,203	6,830,996,415
Office Supplies	6,823,039,356	10,840,334,533
Rental - Net	5,156,792,599	4,882,916,682
Others (Each Bellow Rp4 billion)	49,079,735,505	31,705,414,785
Total	638,487,354,989	564,741,030,361

	2015 Rp	2014 Rp
General and Administrative Expenses		
Salaries and Employee Benefits	864,956,286,305	692,251,880,842
Depreciation (see Note 15)	173,179,354,154	140,832,187,049
Electricity and Water	145,607,203,486	143,839,489,020
Professional Fees	100,800,985,612	110,168,319,135
Rental - Net	90,435,446,786	148,558,026,776
Transportation and Accommodation	88,182,527,695	69,224,978,394
Tax Expenses	73,114,228,981	43,077,101,985
Repairs and Maintenance	48,455,604,602	39,502,085,721
Office Supplies	41,718,330,883	43,835,595,928
Training and Seminar	32,323,051,021	19,203,991,328
Communication	28,413,367,182	23,691,652,462
Insurance	24,264,903,162	14,576,720,402
Membership and Subscription Fees	9,951,806,731	11,250,762,690
Others (Each Bellow Rp9 billion)	31,201,759,678	54,401,789,711
Total	1,752,604,856,278	1,554,414,581,443
Total Operating Expenses	**2,391,092,211,267**	**2,119,155,611,804**

40. Financial Income (Charges) - Net

	2015 Rp	2014 Rp
Interest Income	83,693,332,829	64,860,824,565
Interest and Financial Expenses	(260,700,642,181)	(186,911,542,367)
Financial Charges - Net	**(177,007,309,352)**	**(122,050,717,802)**

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 4 and 10), Financial charges represent hedging cost, bank charges, using electronic data capture (EDC) machine and interest subsidy on mortgages for houses and apartments (KPR and KPA), while interest expense represents interest on loans (see Notes 22 and 24).

41. Other Income (Expenses) - Net

	2015 Rp	2014 Rp
Other Income		
Dividend Income	213,520,783,356	161,495,745,077
Penalty Income	26,156,545,816	17,174,121,425
Gain on Foreign Exchange - Net	--	396,721,757,857
Gain on Sale of Property and Equipment	356,193,292	478,562,204
Others - Net	--	19,575,792,733
Total Other Income	**240,033,522,464**	**595,445,979,296**
Other Expenses		
Loss on Foreign Exchange - Net	154,826,932,876	--
Amortization Expense	74,088,277,909	63,467,956,030
Others - Net	41,687,447,438	--
Total Other Expenses	**270,602,658,223**	**63,467,956,030**

Dividend Income

Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. and PT Menara Tirta Indah, all subsidiaries.

42. Basic Earnings Per Share

The calculation of basic earnings per share is as follows:

	2015	2014
Profit for the Year Attributable to Owner of the Parent (Rupiah)	535,393,802,755	2,556,247,574,832
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	23.51	112.26

43. Commitments

a. Operational and Management Agreements

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.

- On April 9, 2006, PT Lippo Malls Indonesia (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the years ended December 31, 2015 and 2014 amounted to Rp106,500,000,000 and Rp75,200,000,000, respectively.

- LMIRT Management Ltd (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as a trustee of Lippo-Malls Indonesia Retail Trust (LMIR Trust) effective from the listing date of LMIR Trust (November 14, 2007). Based on the agreement, LMIR TM will provide management services to LMIR Trust, among others, investment strategic and investment as well as divestment recommendations. For such services, LMIR TM shall receive certain compensation as stated in the agreement.

- Group entered into several agreements with contractors for the development of their projects. As of December 31, 2015, the outstanding commitments amounted to Rp10,967,368,997,703 with commitments not yet realized of Rp1,664,574,315,151. As of December 31, 2014 total outstanding commitment amounted to Rp1,655,000,000,000 with commitments not yet realized amounted to Rp949,000,000,000.

b. Rental Agreements

- Based on Deeds of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono,S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which are owned 100% directly by Lovage International Pte. Ltd., Henley Investments Pte. Ltd., Primerich Investment Pte. Ltd. and Got Pte. Ltd., whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 29).

Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp166,789,492,109 and Rp162,545,243,043, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No. 146/2010, PT East Jakarta Medika (EJM), a subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First REIT at the selling price of SGD33,333,333 and leased back the Property.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from the Company on October 10, 2011, entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist base rent and variable rent. Base rent was determined in the first year and will be adjusted subsequently, while variable rent will be commenced in the second year based on certain precentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subject to 2% penalty plus average lending rate of 3 banks in Singapore.

  As this sale and leaseback transaction met the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp19,421,265,762 and Rp19,376,430,554, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of “Mochtar Riady Comprehensive Cancer Centre” for 15 years. PC is wholly owned by First REIT. The Company shall pay certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp140,775,804,498 and Rp134,767,174,483, respectively.

- On January 7, 2012, PT Siloam International Hospitals Tbk (SIH) entered into a lease agreement of building of Siloam Hospital Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years since the grand opening of the hospital and include a rental free years (grace year) for 3 (three) months after the grand opening of the hospital.

  Based on the agreement, Siloam Sriwijaya shall pay a rental fee amounted to Rp3,000,000,000 and increase by Rp500,000,000 in every three years, which will be paid in advance for each year, not later than 10 (ten) day of 1 (first) month of lease year.

  On October 5, 2012, PM entered into transfer of property ownership agreement with PT Karya Pratama Bisma, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement.

  On January 2, 2014, PT RS Siloam Hospital Sumsel entered into a lease agreement of building of Siloam Hospital Palembang (Siloam Sriwijaya) with PT Bisma Pratama Karya. This agreement is valid for 15 years since the business license of the hospital. Business license Siloam Sriwijaya is dated November 6, 2013 and will be expired in one year. Rental expense will be paid quarterly.

  Rental expense for the years ended December 31, 2015 and 2014 amounted to Rp1,487,141,905 and Rp2,024,955,226, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of "Hotel Aryaduta and Rumah Sakit Siloam Manado" for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp58,633,701,227 and Rp58,800,000,000, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presences of Maria Josefina Grace Kawi Tandiari S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (the property) to PT Bayutama Sukses (BS), where BS is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp467,287,558,000 and the property is leased back.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Sale and lease-back transaction above meets the classification of an operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp40,336,298,224 and Rp40,250,000,000, respectively.

- Based on Deed of Sale and Purchase Agreement Nos. 25/2013, 26/2013, 27/2013, 28/2013, 29/2013, 30/2013, and 31/2013 which are all dated May 13, 2013, made in the presence of Ambo Enre, S.H., a notary in Badung, PT Buana Mandiri Selaras (BMS), a subsidiary, sold the land and buildings of Siloam Hospitals Bali (the property) to PT Dasa Graha Jaya (DGJ), where DGJ is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

  Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, the Company entered into a lease agreement for 15 years. The Company will pay a certain amount as stipulated in the agreement.

  Sale and lease back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the diffrence is recognized as deferred gain (see Note 29).

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp75,504,000,000 and Rp75,504,000,000, respectively.

- Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, The Company entered into a lease agreement with PT Perisai Dunia Sejahtera (PDS), the owner of the land and buildings of "TB Simatupang Siloam Hospitals" for 15 years. The Company will pay a certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction for the years ended December 31, 2015 and 2014 amounted to Rp72,228,000,000 and Rp72,228,000,000, respectilvely.

- In Februari 2005, PT Diagram Healthcare Indonesia (DHI), a subsidiary, entered into a lease agreement on hospital building of Siloam Hospitals Cinere with PT Anadi Sarana Tatahusada. This agreement is valid for 13 years with total rental amount of Rp12,000,000,000.

  Rental expense for the years ended December 31, 2015 and 2014 amounted to Rp1,272,895,508 and nil, respectively.

- On May 28, 2014, PT Berlian Cahaya Indah, a subsidiary, entered into a lease agreement on building of Siloam Hospital Purwakarta with PT Metropolis Propertindo Utama. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license Siloam Purwakarta is dated May 14, 2014 an will be expired in one year. Rental expense will be paid quarterly

  Rental expense for the years ended December 31, 2015 and 2014 amounted to Rp939,363,384 and nil, respectively.

- On December 20, 2014, PT Krisolis Jaya Mandiri, a subsidiary, entered into a lease agreement on building of Siloam Hospital Kupang with PT Busa Bahana Niaga. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license Siloam Purwakarta is dated December 1, 2014 an will be expired in one year. Rental expense will be paid quarterly.

  Rental expense for the year ended December 31, 2015 amounted to nil.

c. Master Agreement between PT Siloam International Hospitals Tbk (SIH), a subsidiary, with PT Metropolis Propertindo Utama (MPU)

On April 30, 2013, SIH entered into a preliminary agreement with MPU which include:

- Sale and purchase of shares of Siloam Hospitals Malang, Siloam Hospitals Salemba and Siloam Hospitals Surabaya Sea Master;
- Right to build properties that will be used as Siloam Hospitals Padang, Siloam Hospitals Bangka Belitung, Siloam Hospitals Semarang Srondol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono, Siloam Hospitals Salemba and Siloam Hospitals Lampung;
- Property lease agreement that will be used as Siloam Hospitals Surabaya Sea Master, Siloam Hospitals Pluit and Siloam Hospitals Cempaka Putih; and
- The agreement to offer certain property to be operated as Siloam Hospitals Ambon, Siloam Hospitals Lubuk Linggau, Siloam Hospitals Manado Kairagi, Siloam Hospitals Serang and Siloam Hospitals Pekanbaru.

d. Hedging Transaction Agreements on Bonds denominated in U.S. Dollar

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Morgan Stanley & Co International Plc (MS), amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 1.26%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD8,586,056 (equivalent Rp118,444,652,520).

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Deutsche Bank AG (DB), Singapore branch, amounting to USD50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.26%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.26%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD7,790,774 (equivalent Rp107,473,727,330).

- On June 5, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with J.P Morgan (S.E.A) (JPM) Limited, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.18%. On April 24, 2015, the Company restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.18%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD4,065,201 (equivalent Rp56,079,447,795).

- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with Nomura International plc (NIP), United Kingdom branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.125%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,200 with an annual premium rate of 1.125%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD7,893,398 (equivalent Rp108,889,425,410).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP Paribas (BNP), Singapore branch, amounting to USD115,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 21, 2015, the Company replaced the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,205 with an annual premium rate of 0.69%. Premium will be paid every May 16 and November 14. This transaction will due on November 16, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD17,297,433 (equivalent Rp238,618,088,235).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.69%. On April 21, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 0.69%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD18,548,951 (equivalent Rp255,882,779,045).

- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD 21,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.685%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.685%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD3,104,225 (equivalent Rp42,822,783,875).

- On January 15, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, United Kingdom branch, amounting to USD97,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 0.525%. On April 21, 2015, the Company replaced the transaction with new strikes price between Rp10,200 - Rp11,500 and Rp12,500 – 13,225 with an annual premium rate of 0.525%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD14,945,554 (equivalent Rp206,173,917,430).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, United Kingdom branch, amounting to USD 50,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.440%. On April 21, 2015, the Company terminated and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,200 with an annual premium rate of 2.27%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD10,633,566 (equivalent Rp146,690,042,970).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD30,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.075%. On April 21, 2015, the Company replaced the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,205 with an annual premium rate of 1.075%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD4,060,235 (equivalent Rp56,010,941,825).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.429%. On April 24, 2015, the Company cancelled and restructured the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,230 with an annual premium rate of 1.429%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD3,885,738 (equivalent Rp53,603,755,710).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD25,000,000 for strike prices between Rp9,500 - Rp11,500 with an annual premium rate of 1.450%. On April 24, 2015, the Company replaced the transaction with new strike prices between Rp10,200 - Rp11,500 and Rp12,500 – 13,210 with an annual premium rate of 1.450%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD3,758,448 (equivalent Rp51,847,790,160).

- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD2,605,404 (equivalent Rp35,941,548,180).

- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD100,000,000 for strike prices between Rp11,500 - Rp12,500 with an annual premium rate between 0.80%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD6,652,270 (equivalent Rp91,768,064,650).

- On September 27, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate of 0.83%. Premium will be paid every May 16 and November 16. This transaction will due on May 16, 2019. As of December 31, 2015, the fair value of this transaction amounted to USD2,677,477 (equivalent Rp36,935,795,215).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD3,295,003 (equivalent Rp45,454,566,385).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD63,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD3,887,257 (equivalent Rp53,624,710,315).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, British branch, amounting to USD75,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD5,438,260 (equivalent Rp75,020,796,700).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with JPM, Singapore branch, amounting to USD140,000,000 for strike prices option of Rp11,500 - Rp12,500 with an annual premium rate between 0.695%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD5,130,845 (equivalent Rp70,780,006,775).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option transaction with MS, British branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp12,500 with an annual premium rate between 0.70%. Premium will be paid every May 14 and November 14. This transaction will due on November 14, 2020. As of December 31, 2015, the fair value of this transaction amounted to USD2,057,770 (ekuivalen Rp28,386,937,150).

- On April 24, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with NIP, British branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.20%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of December 31, 2015, the fair value of this transaction amounted to USD4,130,283 (equivalent Rp56,977,253,985).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with BNP, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.14%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of December 31, 2015, the fair value of this transaction amounted to USD3,372,854 (equivalent Rp46,528,520,930).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option transaction with DB, Singapore branch, amounting to USD50,000,000 for strike prices of Rp11,500 - Rp13,500 with an annual premium rate 1.205%. Premium will be paid every April 11 and October 11. This transaction will due on April 11, 2022. As of December 31, 2015, the fair value of this transaction amounted to USD2,319,554 (equivalent Rp31,998,247,430)

e. Sale Purchases and Swap Agreement

On October 2015, PT Saputra Karya (SK), a subsidiary, and PT Tata Prima Indah (TPI), a subsidiary of LMIR Trust, entered into an agreement of sales, purchase, construct and swap of land and property of Siloam Hospitals Surabaya (existing SHS) located in Gubeng Surabaya. As agreed in the agreement, SK will buy a parcel of land owned by TPI, located next to the land owned by SK in Gubeng, Surabaya, at the price of Rp79,150,000,000. Upon the purchasing of TPI's land, SK has the obligation to construct the new Siloam Hospitals Surabaya (new SHS) on its land (exsisting land and the land purchased from TPI). After the new SHS contruction completed, SK will sell the new SHS to TPI with at the price of Rp873.190.000.000. After the new SHS transferred process completed, TPI will sell back the existing SHS to SK at the price of Rp265,450,000,000.

f. Joint operation Agreement

PT Megakreasi Cikarang Damai, a subsidiary, entered the joint operation agreement for managing Delta Silicon 8 with PT Cikarang Hijau Indah as the owner's of the 227 hectare of land. Based on the Deed No.26 dated July 24, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H., a notary in Tangerang, the joint operation includes planning, development, construction, marketing, selling, rental and managing of land area of the joint operation as the industrial area including its infrastructures and facilities. Term of the agreement is two (2) years and will be automatically extended if sales have been reached 50% of the total available land. Until December 31, 2015 and 2014, the selling of land had reached 60.3 hectares and 42 hectares, respectively.

44. Operating Segment

An operating segment is a component of the entity that engages in business activity whose operating results are regularly reviewed by management, and its financial information can be presented separately.

The Company has six (6) operating segments i.e.,:

(i) Urban development, which comprises, among others, activities in real estate in urban development and development of facilities and its infrastructure.
(ii) Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
(iii) Retail malls, which comprises among others, activities in real estate in development and management of shopping center.
(iv) Healthcare, which comprises activities in health services.
(v) Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
(vi) Property and portfolio management, which comprises, among others, activities in management services.

The following are Group's operating segment as of December 31, 2015 and 2014 :

	2015							(In Thousand Rupiah)
	Urban Development	**Large Scale Integrated Development**	**Retail Malls**	**Healthcare**	**Hospitality and Infrastructure**	**Property and Portfolio Management**	**Ellimination**	**Consolidated**
	Rp	**Rp**	**Rp**	**Rp**	**Rp**	**Rp**		**Rp**
Revenue	2,697,422,926	773,459,878	240,450,787	4,144,118,303	785,002,596	358,807,108	(89,083,607)	8,910,177,991
Final Tax Expenses	(143,030,732)	(39,973,203)	(23,523,990)	--	--	--	--	(206,527,925)
Net Revenue	2,554,392,194	733,486,675	216,926,797	4,144,118,303	785,002,596	358,807,108	(89,083,607)	8,703,650,066
Gross Profit	1,544,774,232	372,825,250	203,578,111	1,176,546,563	383,748,067	319,605,350	(89,083,607)	3,911,993,966
Selling Exepnses	(378,158,959)	(61,734,484)	(86,365,368)	(46,695,192)	(11,477,049)	(75,533,869)	21,477,566	(638,487,355)
General and Administration Expenses	(487,925,255)	(92,185,699)	(38,724,369)	(918,629,004)	(160,269,801)	(122,476,770)	67,606,041	(1,752,604,857)
Interest Income	101,543,828	8,910,804	1,279,536	4,979,578	928,657	846,318	(34,795,388)	83,693,333
Finance and Interest Expenses	(194,091,933)	(31,556,320)	(9,372,510)	(57,298,648)	(3,104,492)	(72,127)	34,795,388	(260,700,642)
Other Income (Expense) Net	(27,199,289)	36,216,278	(18,103,298)	(53,156,677)	(34,015,852)	50,251,851	--	(46,006,987)
Share in the Profit (Loss) of Associates and Joint Venture	(29,375,494)	--	--	--	16,317,887	--	--	(13,057,607)
Profit Before Tax	**529,567,131**	**232,475,829**	**52,292,102**	**105,746,620**	**192,127,417**	**172,620,753**	**--**	**1,284,829,851**
Tax Benefit (Expense)								
Current	(142,941,336)	(2,035,663)	(1,767,592)	(51,263,700)	(15,564,436)	(23,494,210)	--	(237,066,937)
Deferred	(35,414,467)	--	--	7,223,157	5,202,966	(653,936)	--	(23,642,280)
Profit for the Year	**351,211,328**	**230,440,166**	**50,524,510**	**61,706,077**	**181,765,947**	**148,472,607**	**--**	**1,024,120,634**
Profit for the year attributable to:								
Owner of the Parent	(134,838,367)	218,331,286	49,359,813	70,396,404	181,765,947	150,378,721	--	535,393,803
Non-Controlling Interest	486,049,695	12,108,880	1,164,697	(8,690,327)	--	(1,906,114)	--	488,726,831
	351,211,328	**230,440,166**	**50,524,510**	**61,706,077**	**181,765,947**	**148,472,607**	**--**	**1,024,120,634**
Segment Assets								
Investments in Associates	25,224,137,495	8,179,388,617	2,322,473,714	2,986,270,148	687,780,866	1,541,236,604	--	40,941,287,444
and Joint Venture	383,545,321	--	--	--	1,725,413	--	--	385,270,734
Total Assets	**25,607,682,816**	**8,179,388,617**	**2,322,473,714**	**2,986,270,148**	**689,506,279**	**1,541,236,604**	**--**	**41,326,558,178**
Segment Liabilities	**15,938,194,618**	**4,177,183,594**	**777,199,726**	**1,246,318,520**	**67,878,739**	**203,018,423**	--	**22,409,793,620**
Capital Expenditures	33,346,106	89,125,062	47,888,138	274,910,825	30,822,625	20,513,918	--	496,606,674
Depreciation	30,119,858	6,249,677	5,812,714	405,721,645	44,832,167	2,582,385	--	495,318,446
Non-Cash Expenses Other than Depreciation	100,602,375	3,693,046	489,080	22,354,368	1,480,347	5,797,080	--	134,416,296

	2014							(In Thousand Rupiah)
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Ellimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenue	5,688,280,107	1,335,354,019	308,103,160	3,340,793,372	721,093,503	306,041,414	(44,623,828)	11,655,041,747
Final Tax Expenses	(280,383,403)	(67,652,312)	(24,393,542)	--	--	--	--	(372,429,257)
Net Revenue	5,407,896,704	1,267,701,707	283,709,618	3,340,793,372	721,093,503	306,041,414	(44,623,828)	11,282,612,490
Gross Profit	2,536,219,464	643,907,961	272,939,739	952,062,318	372,765,474	291,677,251	(44,623,828)	5,024,948,379
Selling Exepnses	(290,456,311)	(87,676,651)	(67,346,631)	(27,260,696)	(23,949,786)	(77,840,735)	9,789,780	(564,741,030)
General and Administration Expenses	(486,336,643)	(81,013,632)	(30,497,805)	(744,316,030)	(135,116,812)	(111,967,707)	34,834,048	(1,554,414,581)
Interest Income	60,848,536	16,262,176	1,677,702	15,432,527	1,391,204	266,783	(31,018,102)	64,860,826
Finance and Interest Expenses	(152,157,550)	(6,186,531)	(647,750)	(55,779,008)	(3,111,310)	(47,495)	31,018,102	(186,911,542)
Other Income (Expense) Net	539,736,110	4,445,740	(5,285,747)	(34,262,796)	(16,412,856)	43,757,572	--	531,978,023
Share in the Profit (Loss) of							--	
Associates and Joint Venture	929,482	--	--	--	7,309,661	--	--	8,239,143
Profit Before Tax	**2,208,783,087**	**489,739,063**	**170,839,508**	**105,876,315**	**202,875,575**	**145,845,669**	**--**	**3,323,959,217**
Tax Benefit (Expense)								
Current	(104,335,953)	--	(2,926,915)	(38,053,708)	(18,239,470)	(24,062,789)	--	(187,618,834)
Deferred	(1,779,782)	--	(1,286,378)	1,161,949	5,995,463	(480,376)	--	3,610,876
Profit for the Year	**2,102,667,352**	**489,739,063**	**166,626,215**	**68,984,556**	**190,631,567**	**121,302,504**	**--**	**3,139,951,258**
Profit for the year attributable to:								
Owner of the Parent	1,540,167,085	466,592,147	165,696,770	71,843,232	190,631,567	121,316,773	--	2,556,247,574
Non-Controlling Interest	562,500,267	23,146,916	929,445	(2,858,676)	--	(14,269)	--	583,703,683
	2,102,667,352	**489,739,063**	**166,626,215**	**68,984,556**	**190,631,567**	**121,302,504**	**--**	**3,139,951,258**
Segment Assets	22,681,837,514	8,010,801,081	2,125,591,618	2,846,213,518	699,991,286	1,368,658,094	--	37,733,093,112
Investments in Associates								
and Joint Venture	121,640,349	--	--	--	1,643,413	--	--	123,283,762
Total Assets	**22,803,477,863**	**8,010,801,081**	**2,125,591,618**	**2,846,213,518**	**701,634,699**	**1,368,658,094**	**--**	**37,856,376,875**
Segment Liabilities	14,027,706,224	4,238,691,606	503,842,378	1,186,382,983	220,709,202	58,214,624	--	**20,235,547,017**
Capital Expenditures	143,112,204	57,105,930	60,848,059	331,304,899	35,255,763	20,369,690	--	647,996,545
Depreciation	36,554,786	6,130,322	3,450,408	267,121,643	40,165,306	1,603,652	--	355,026,116
Non-Cash Expenses Other than								
Depreciation	19,166,419	3,099,438	171,264	57,245,891	96,313	5,764,942	--	85,544,267

45. Monetary Asset and Liabilities Denominated in Foreign Currencies

	2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	16,638,757	113,800	20,491,726	206,685	356,340	437,354,595,949
Trade Accounts Receivable	4,060,235	--	2,122,398	--	--	76,706,847,979
Other Current Financial Assets	781,600	--	13,303,158	--	--	140,503,793,258
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,442,414,274
Total Assets	21,480,592	113,800	40,987,680	206,685	356,340	704,007,651,459
Liabilities						
Trade Accounts Payable	960,537	--	2,930,771	32,525	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,525	--	11,271,141,651,217
Net Assets (Liabilities)	**(792,205,382)**	**113,800**	**36,285,331**	**174,160**	**356,340**	**(10,567,133,999,758)**

	2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	--	--	1,701,204	--	--	16,028,744,088
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	13,858,862	113,800	222,018,208	188,113	406,259	2,271,269,531,197
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	**(798,915,409)**	**113,800**	**220,268,501**	**188,113**	**406,259**	**(7,856,128,139,397)**

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 43.d).

46. Contingencies

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to PT Siloam International Hospitals (SIH), a subsidiary as defendant regarding the termination of plaintiff’s work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 however, the plaintiff's claim is granted through the decision of the High Court of Jakarta No.626/PDT/2009/PT.DKI date June 29, 2010.

- On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court (SC). Then based on the contents of the Decision Notice Relaas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000. The Supreme Court mentioned above have been legally binding.

  Responding to the verdict, on September 13, 2015, SIH filed a judicial review to the Supreme Court. As of the report date, the Company has not received further notice from the Supreme Court

- On July 9, 2009, Alfonsus Budi Susanto, SE, MA, the plaintiff, filed a lawsuit to SIH, a subsidiary as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta No. 548/PDT/2010/PT.DKI.

  On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Dated July 11, 2013 reject the appeal filed Plaintiff and strengthen the North Jakarta District Court and the Jakarta High Court earlier.

- On October 1, 2012, Wahju Indrawan, the plaintiff, filed a lawsuit No. 71/Pdt.G/2012/PN.JBI to PT Golden First Atlanta (GFA), a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff’s spouse. All claims were declined through decision of District Court Jambi No. 71/Pdt.G/2012/PN.JBI dated July 23, 2013 and was upheld on December 18, 2013, through the decision of the High Court of Jambi No. 63/PDT/2013/PT.JBI. On February 5, 2014, the plaintiff filed appeal to the Supreme Court. Until completion date of the consolidated financial statements, there has been no remained verdict.

- On August 8, 2014, Drs. Akhmad H. Harris, filed a lawsuit to District Court Tangerang PN 470 / Pdt.G / 2014 / PN.TNG against SIH with malpractice suffered by the plaintiff. The value of lawsuit filed by the plaintiffs include material damages amounting to Rp906,231,000 and non-material losses of Rp500,000,000,000. All claims of the plaintiff were declined through decision of District Court Tangerang No.470/Pdt.G/2014/PN.TNG dated August 6, 2015.

  On August 19, 2015, Plaintiffs filed an appeal against the verdict on December 28, 2015in Banten High Court has filed the appeal case by case register number 131 / PDT / 2015 / PT.BTN. Until the completion date of the consolidated financial statements, the case is still in process.

- On December 16, 2014, dr. Arnold Bobby Soehartono, the plaintiff, filed a lawsuit to the Commercial Court in Surabaya District Court related to the use of plaintiff’s portrait by SIH, a subsidiary ("Defendants"). Value of a lawsuit filed by the plaintiffs include compensation for Rp375.229.125 material and non-material losses amounting to Rp8,000,000,000.

  The plaintiff's claim is granted through the decision of the Commercial Court in Surabaya District Court based on decision No. 10/HKI.Hak Cipta/2014/PN.Niaga.Sby dated April 13, 2015 where the defendant was punished to pay the compensation to the plaintiff amounted to Rp200,000,000 and force payment amounted to Rp500,000 every day since the decision remained verdict until execution of the legal case.

On April 27, 2015, the defendant filed a cassation on that verdict. Until the completion date of the consolidated financial statements, the case is still in process.

Management believes that there are no material financial impact on the future legal cases.

- Based on case No. 145/Pdt.G/2014/PN.Mks which was filed by Tenri Sompa, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is Defendant of 39,900 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 207/Pdt.G/2010/PN.Mks Tahun 2010, GMTD is an Intervention Plaintiff of 60,000 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar controlled by Najmiah Muin dan Fatimah Kalla. Until the completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 265/Pdt.G/2011/PN.Mks, GMTD is the Plaintiff of 68,929 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Jhon Tandiary. Until the completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 215/ G/2011/PTUN.Mks sumbmitted by Sirajjudin Ardana, GMTD ,is Defendant of 510,610 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still review for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on case No. 243/Pdt.G/2011/PN.Mks, which was filed by Nurhayana Pamusereng GMTD is Defendant of 81,200 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under review to the Supreme Court of the Republic of Indonesia.

- Based on case letter No. 163/Pdt.G/2013/PN.Mks, which was filed by Walfiat Morra, GMTD is the Defendant and Reconvention Plaintiff of 59,996 sqm land area located in Maccini Sombala Village, Tamalate Distric, Makassar City. Until the completion date of the consolidated financial statements, the case is still under appeal at the high court.

- Based on case No. 312/Pdt.G/2013/PN.Mks, which was filed by Coeng Dg. Romo, GMTD is the Defendant of 20,000 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under cassation to the Supreme Court of the Republic of Indonesia.

- Based on case No. 318/Pdt.Bth/2013/PN.Mks, which was filed by Najmiah, GMTD is Defendant of 10,000 sqm land area, located in the Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still in the process of cassation to the Supreme Court of the Republic of Indonesia.

- Based on case No. 228/Pdt.G/2013/PN.Mks, which was filed by H. Lahaba Dg. Gassing, GMTD is Defendant of 3,000 sqm land area, located in the Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on case No. 342/Pdt.G/2014, GMTD is Plaintiff of 30,376 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on case No. 324/Pdt.G/2014/PN.Mks, which was filed by Bunga Djarung, GMTD is the Defendant VI of 5.80 hectares and 3.40 hectares land area, located in ORK Pattukangan Barombong

Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 80/G/2014/PTUN.Mks, which was filed by Suttara Dg. Taring, GMTD is Defendant II of 12,700 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still in the process of cassation to the Supreme Court of the Republic of Indonesia.

- Based on case No. 318/Pdt.G/2013/PN.Mks, which was filed by Siti Aminah GMTD is the Co-Defendant I of 7,613 sqm land area located in Tanjung Merdeka Village, Tamalate District, Makassar City. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on cases No. 58/Pdt.G/2014/PN.Mks and No. 59/Pdt.G/2014/PN.Mks, which was filed by Basri Kilat, GMTD is the Defendant II of 17,721 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on the cases No. 144/Pdt.G/2014/PN.Mks and No. 145/Pdt.G/2014/PN.Mks, which was filed by Baso Sani, GMTD is Defendant I of 18,300 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Until the completion date of the consolidated financial statements, the case is still in the process of cassation to the Supreme Court of the Republic of Indonesia.

- Based on the case No. 144/Pdt.G/2014/PN.Mks, which was filed by Syamsir Arief, GMTD is Defendant II of a default lawsuit. Until the completion date of the consolidated financial statements, the case is still under examination in the District Court of Makassar.

- Based on the case No. 04/G/2015/PTUN.Mks, GMTD is Plaintiff of 21,530 sqm land area located in Mattoangin Village, Mariso District, Makassar controlled by Sainal Lonard. Until the completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 17/G/2015/PTUN.Mks, which was filed by Koperasi Unit Desa Mina, GMTD is Intervention Defendant II of 38,440 sqm land area located in Mattoangin Village, Mariso District. Until the completion date of the consolidated financial statements, the case is still under appeal.

47. Financial Instruments and Financial Risk Management

The main financial risks faced by the Group are credit risk, foreign exchange rate risk, liquidity risk, interest risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

The Board of Directors have reviewed the financial risk management policy regularly.

(i) Credit Risk

Credit risk is the risk that the Group will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Group's financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other current financial assets, due from related parties, other non-current financial assets and investment available for sale. The maximum total credit risks exposure is equal to the amount of the respective accounts.

Total maximum credit risk exposure of financial assets on December 31, 2015 and 2014 are as follows:

	2015		2014	
	Carring Value Rp	**Maximum Exposure Rp**	**Carring Value Rp**	**Maximum Exposure Rp**
Financial Assets				
Fair value through profit or loss				
Derivative	2,015,953,790,020	2,015,953,790,020	1,787,652,313,287	1,787,652,313,287
Other Current Financial Assets	49,008,885,877	49,008,885,877	--	--
Loans and Receivables				
Cash and Cash Equivalents	1,839,366,003,277	1,839,366,003,277	3,582,643,822,338	3,582,643,822,338
Trade Accounts Receivable	1,434,347,507,641	1,434,347,507,641	951,103,629,896	951,103,629,896
Other Current Financial Assets	863,126,238,670	863,126,238,670	820,399,687,755	820,399,687,755
Due from Related Parties Non-trade	37,093,485,060	37,093,485,060	14,788,363,567	14,788,363,567
Other Non-Current Financial Assets	685,854,507,978	685,854,507,978	561,596,218,297	561,596,218,297
Available-for-Sale				
Available-for-Sale Financial Assets	5,869,063,440,408	5,869,063,440,408	5,502,958,263,108	5,502,958,263,108
Other Non-Current Financial Assets	58,329,023,011	58,329,023,011	58,329,023,011	58,329,023,011
held-to-maturity financial assets				
Investments in Bond	10,000,000,000	10,000,000,000	--	--
Total Financial Assets	**12,852,142,881,942**	**12,852,142,881,942**	**13,279,471,321,259**	**13,279,471,321,259**

Group manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing global and domestic company

The following table analyzes asset was due but not impaired and not yet due but not impaired and financial assets that are individually to be impaired:

	2015						
	Individually Impaired	**Overdue But not Impaired**			**Not Yet Due and Not Impared**		**Total**
		0 - 90 Day	**91 - 180 Day**	**> 181 Day**	**Global Company**	**Domestic Company**	
	Rp	**Rp**	**Rp**	**Rp**	**Rp**	**Rp**	**Rp**
Financial Assets							
Fair value through profit or loss							
Derivative	--	--	--	--	2,015,953,790,020	--	2,015,953,790,020
Other Current Financial Assets	--	--	--	--	--	49,008,885,877	49,008,885,877
Loans and Receivables							
Cash and Cash Equivalents	--	--	--	--	365,151,660,796	1,474,214,342,481	1,839,366,003,277
Trade Accounts Receivable	91,468,709,993	223,118,214,459	53,706,272,647	161,665,951,150	49,932,275,382	945,924,794,004	1,525,816,217,634
Other Current Financial Assets	9,251,227,122	--	--	--	169,117,519,325	694,008,719,345	872,377,465,792
Due from Related Parties Non-trade	15,582,751,676	--	--	--	--	37,093,485,060	52,676,236,736
Other Non-Current Financial Assets	--					685,854,507,978	685,854,507,978
Available-for-Sale							
Available-for-Sale Financial Assets	--	--	--	--	5,495,636,446,195	373,426,994,213	5,869,063,440,408
Other Non-Current Financial Assets	--	--	--	--	--	58,329,023,011	58,329,023,011
Held-to-maturity Financial Assets							
Other Non-Current Financial Assets	--	--	--	--	--	10,000,000,000	10,000,000,000
Total	**116,302,688,791**	**223,118,214,459**	**53,706,272,647**	**161,665,951,150**	**8,095,791,691,718**	**4,327,860,751,969**	**12,978,445,570,733**

	2014						
	Individually Impaired	**Overdue But not Impaired**			**Not Yet Due and Not Impared**		**Total**
		0 - 90 Day	**91 - 180 Day**	**> 181 Day**	**Global Company**	**Domestic Company**	
	Rp	**Rp**	**Rp**	**Rp**	**Rp**	**Rp**	**Rp**
Financial Assets							
Fair value through profit or loss							--
Derivative	--	--	--	--	1,787,652,313,287	--	1,787,652,313,287
Loans and Receivables							--
Cash and Cash Equivalents	--	--	--	--	317,928,205,898	3,264,715,616,440	3,582,643,822,338
Trade Accounts Receivable	64,936,716,285	263,864,814,021	76,710,157,153	252,083,632,848	79,043,681,966	279,401,343,908	1,016,040,346,181
Other Current Financial Assets	7,299,710,183	--	--	--	146,266,281,408	666,504,586,179	820,070,577,770
Due from Related Parties Non-trade	12,573,437,421	--	--	--		14,788,363,567	27,361,800,988
Other Non-Current Financial Assets	--					561,596,218,297	561,596,218,297
Available-for-Sale							
Available-for-Sale Financial Assets	--	--	--	--	5,502,958,263,108	--	5,502,958,263,108
Other Non-Current Financial Assets	--	--	--	--	--	58,329,023,011	58,329,023,011
Total	**84,809,863,889**	**263,864,814,021**	**76,710,157,153**	**252,083,632,848**	**7,833,848,745,667**	**4,845,335,151,402**	**13,356,652,364,980**

The Group has provided allowance for impairment on due trade accounts receivable and other account receivable (see Notes 5 and 7).

Not yet due financial assets which have indication of credit risk are mainly from cash and cash equivalents and trade accounts receivable.

Management is of the opinion that there is no significant credit risk on placements in banks, due to fund placements only to reputable and creditworthy banks.

Management is of the opinion that not yet due accounts receivable have no significant credit risk, because receivables from selling units of property are secured by the related properties, where as the risks exposure are lower than the security, while accounts receivable non-property arisen from customers who has good track record.

(ii) Liquidity Risk

Liquidity risk is a risk when the cash flow position of the Group indicates that the short-tem revenue is not enough to cover the short-term expenditure.

The Group manage this liquidity risk by maintaining an adequate level of cash and cash equivalents to cover Group's commitment in normal operation and regularly evaluates the projected and actual cash flow, as well as maturity date schedule of their financial assets and liabilities.

The following table analyzes the breakdown of financial liabilities based on maturity:

	2015				
	Will Due In			Maturity not Determined	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	782,916,296,824	--	--	--	782,916,296,824
Accrued Expenses	1,006,468,547,643	--	--	--	1,006,468,547,643
Short-Term Post-Employment Benefits Liability	12,171,380,895	--	--	--	12,171,380,895
Other Current Financial Liabilities	--	--	--	339,865,932,700	339,865,932,700
Short-Term Bank Loan	962,173,564,967	--	--	--	962,173,564,967
Long-Term Bank Loan	48,261,246,570	390,275,459,789	83,647,738,615	--	522,184,444,974
Due to Related Parties Non-trade	--	--	--	7,528,997,776	7,528,997,776
Bonds Payable	--	3,664,250,000,000	7,218,809,011,816	--	10,883,059,011,816
Other Long-Term Financial Liabilities	--	--	--	85,551,631,230	85,551,631,230
Total	**2,811,991,036,899**	**4,054,525,459,789**	**7,302,456,750,431**	**432,946,561,706**	**14,601,919,808,825**

	2014				
	Will Due In			Maturity not Determined	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	404,174,297,491	--	--	--	404,174,297,491
Accrued Expenses	1,129,923,477,800	--	--	--	1,129,923,477,800
Short-Term Post-Employment Benefits Liability	18,383,620,765	--	--	--	18,383,620,765
Other Current Financial Liabilities	--	--	--	408,790,491,164	408,790,491,164
Short-Term Bank Loan	173,540,195,011	--	--	--	173,540,195,011
Long-Term Bank Loan	12,435,856,488	30,525,083,739	--	--	42,960,940,227
Due to Related Parties Non-trade	--	--	--	3,379,278,119	3,379,278,119
Bonds Payable	--	3,096,449,370,671	6,684,161,925,880	--	9,780,611,296,551
Other Long-Term Financial Liabilities	--	--	--	67,387,383,763	67,387,383,763
Total	**1,738,457,447,555**	**3,126,974,454,410**	**6,684,161,925,880**	**479,557,153,046**	**12,029,150,980,891**

(iii) Market Risk

Market risks facing by the Group are mainly currency exchange rate risk, interest rate risk and price risk.

a. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rates.

The Group's financial instrument that potentially contain foreign exchange rate risk are cash and cash equivalents, accrued expenses and loans.

To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties (see Note 43.d).

The following tables show total financial assets and liabilities in foreign currencies as of December 31, 2015 and 2014:

	2015					
	Foreign Currencies					Equivalent in Rupiah
	USD	JPY	SGD	EUR	AUD	
Assets						
Cash and Cash Equivalents	16,638,757	113,800	20,491,726	206,685	356,340	437,354,595,949
Trade Accounts Receivable	4,060,235	--	2,122,398	--	--	76,706,847,979
Available-for-Sale Financial Assets	--	--	601,893,492			1,424,217,469,472
Other Current Financial Assets	146,918,156	--	13,303,158	--	--	2,156,457,583,278
Other Non-Current Financial Assets	--	--	5,070,398	--	--	49,442,414,274
Total Assets	167,617,148	113,800	642,881,172	206,685	356,340	4,144,178,910,951
Liabilities						
Trade Accounts Payable	960,537	--	2,930,771	32,525	--	42,319,254,124
Accrued Expenses	9,419,437	--	1,771,578	--	--	147,216,127,093
Bonds Payable	803,306,000	--	--	--	--	11,081,606,270,000
Total Liabilities	813,685,974	--	4,702,349	32,525	--	11,271,141,651,217
Net Assets (Liabilities)	(646,068,826)	113,800	638,178,823	174,160	356,340	**(7,126,962,740,266)**

	2014					
	Foreign Currencies					Equivalent in Rupiah
	USD	JPY	SGD	EUR	AUD	
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	143,756,626	--	600,438,854	--	--	7,445,667,309,828
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	157,615,488	113,800	820,755,858	188,113	406,259	9,700,908,096,937
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	**(655,158,783)**	**113,800**	**819,006,151**	**188,113**	**406,259**	**(426,489,573,657)**

Sensitivity analysis
A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp891,251,773,029 (2014: Rp810,973,153,218).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp585,027,898,966 (2014: Rp200,761,360,798).

The analysis above is based on assumption that Rupiah weakened or strengthened against all of the currencies in the same direction and magnitude, but it may not be necessarily true in reality. The analysis is not determine impact of the effectivity of derivative financial instruments of a hedge.

b. Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group did not have interest rate risk mainly because it does not have a loan with a floating interest rate.

c. Price Risk
Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Group are exposed to price risk because they own an investment classified as AFS financial assets.

The Group manages this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

Sensitivity analysis
A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain on Changes in Fair Value of Available-for-Sale Financial Assets by Rp58,029,566,526 (2014: Rp51,099,718,149).

Fair Value Estimation

The schedule below presents the carrying amount of the respective categories of financial assets and liabilities :

	2015		2014	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Fair value through profit or loss				
Derivative	2,015,953,790,020	2,015,953,790,020	1,787,652,313,287	1,787,652,313,287
Other Current Financial Assets	49,008,885,877	49,008,885,877	--	--
Loans and Receivables				
Cash and Cash Equivalents	1,839,366,003,277	1,839,366,003,277	3,582,643,822,338	3,582,643,822,338
Trade Accounts Receivable	1,434,347,507,641	1,434,347,507,641	951,103,629,896	951,103,629,896
Other Current Financial Assets	863,126,238,670	863,126,238,670	820,070,577,770	820,070,577,770
Due from Related Parties Non-trade	37,093,485,060	37,093,485,060	14,788,363,567	14,788,363,567
Other Non-Current Financial Assets	685,854,507,978	685,854,507,978	561,596,218,297	561,596,218,297
Available-for-Sale				
Available-for-Sale Financial Assets	5,869,063,440,408	5,869,063,440,408	5,502,958,263,108	5,502,958,263,108
Other Non-Current Financial Assets	58,329,023,011	58,329,023,011	58,329,023,011	58,329,023,011
Held-to-maturity Financial Assets				
Investment in Bond	10,000,000,000	1,967,500,000	--	--
Total Financial Assets	**12,862,142,881,942**	**12,854,110,381,942**	**13,279,142,211,274**	**13,279,142,211,274**
Financial Liabilities				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	782,916,296,824	782,916,296,824	404,174,297,491	404,174,297,491
Accrued Expenses	1,006,468,547,643	1,006,468,547,643	1,129,923,477,800	1,129,923,477,800
Short-Term Post-Employment Benefits Liability	339,865,932,700	339,865,932,700	408,790,491,164	408,790,491,164
Other Current Financial Liabilities	12,171,380,895	12,171,380,895	18,383,620,765	18,383,620,765
Short-Term Bank Loan	962,173,564,967	962,173,564,967	173,540,195,011	173,540,195,011
Long-Term Bank Loan	7,528,997,776	7,528,997,776	3,379,278,119	3,379,278,119
Due to Related Parties Non-trade	522,184,444,974	522,184,444,974	42,960,940,227	42,960,940,227
Bonds Payable	10,883,059,011,816	10,614,123,920,014	9,780,611,296,551	9,991,818,947,200
Other Long-Term Financial Liabilities	85,551,631,230	85,551,631,230	67,387,383,763	67,387,383,763
Total Financial Liabilities	**14,601,919,808,825**	**14,332,984,717,023**	**12,029,150,980,891**	**12,240,358,631,540**

As of December 31, 2015 and 2014, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

Derivative assets represent finanacial assets continously measured at fair value using valuation techniques with unobservable input portion (Level 2).

Critical assumptions used in the computation of fair value of derivatives are as follows:

- Using Black-Scholes model.
- Using the yield obtain from Bloomberg with the same maturity as option instrument.
- Using deviation standard of exchange rate of Rupiah to USD for 10 years until valuation date.
- Using rate of exchange at the closing date of the reporting.
- Using the same strike prices as stated in the call spread option agreement.

Available for sales financial assets represent financial assets continously measured at the fair value using quotation price in an active market (Level 1).

The fair value of bond payables are estimated using valuation techniques with unobservable input portion (Level 2).

The fair value of bond is calculated based on bond yield at the same/ identical rating with the remaining maturity of the bond.

The fair value hierarchy for financial assets at years end were recorded using their fair value, are as follows:

	2015 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss				
Derivative	2,015,953,790,020	--	2,015,953,790,020	--
Other Current Financial Assets	49,008,885,877	49,008,885,877	--	--
Available-for-Sale				
Available-for-Sale Financial Assets	5,869,063,440,408	5,869,063,440,408	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

	2014 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss				
Derivative	1,787,652,313,287	--	1,787,652,313,287	--
Available-for-Sale				
Available-for-Sale Financial Assets	5,502,958,263,108	5,502,958,263,108	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

48. Business Combination

Aquisition Premium Venture International Ltd (PVIL)

On June 29, 2015, PT Swadaya Teknopolis acquired 100% shares of PVIL indirectly through PT Swadaya Teknopolis from third party, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PVIL:

Net Assets Acquired	**Rp**
Other Current Assets	9,027,108,296
Other Current Financial Assets	387,920,764,772
Intangible Assets	970,640,348
Due To Related Parties	(153,604,952,956)
Deferred Tax Liability	(294,203,676)
Other Comprehensive Income	(30,280,266,091)
Non-Controling Interest	(37,004,196,713)
Net Assets	**176,734,893,981**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	176,734,893,981
Discount	(6,634,893,981)
Total Purchase Consideration	**170,100,000,000**

Discount obtained by the Group amounting to Rp6,634,893,981 related to changing of quoted market price of the available for sale financial assets as at the date of agreement and pre-agreement.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year of consolidated statements of profit or loss and other comprehensive income.

In connection with the acquisition, PVIL financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax PVIL since date of acquisition which are included in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2015 amounted to Rp8,215,202,291 and Rp8,201,257,924, respectively.

Operating revenues and profit from PVIL for the year ended December 31, 2015, as if PVIL has been consolidated from January 1, 2015 amounted to Rp10,269,007,323 and Rp8,201,257,924, respectively.

Aquisition PT Asiatic Sejahtera Finance (ASF)
On December 20, 2014, PT Sentra Dwimandiri acquired 100% shares of ASF indirectly through PT Manunggal Bumi Sejahtera and PT Sentra Realindo Development from third party, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of ASF:

	Rp
Cash and Cash Equivalents	4,432,838,496
Net Investment - Finance Lease	10,986,778,596
Other Current Financial Assets	16,613,697
Prepaid Taxes	49,230,173
Deferred Tax Asset	76,024,196
Other Non-Current Financial Assets	11,347,800
Acrued Expenses	(53,323,621)
Tax Payable	(9,910,944)
Post-Employment Benefits Liability	(304,096,783)
Net Assets	**15,205,501,610**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	15,205,501,610
Goodwill	64,794,498,390
Total Purchase Consideration	**80,000,000,000**

Goodwill arising from the acquisition amounted to Rp64,794,498,390 (see Note 16) which is the result of a subsidiary that support the business and synergies with the Group's core business.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year of consolidated statements profit or loss and other comprehensive income.

In connection with the acquisition, ASF financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax ASF since date of acquisition which are included in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2014 amounted to nil.

Operating revenues and profit from ASF for the year ended December 31, 2014, as if ASF has been consolidated from January 1, 2014 amounted to Rp1,159,063,901.

Aquisition PT Anugerah Bahagia Abadi (ABA)
On May 12, 2014, Company aquired indirect 100% Share ABA from Third Party through PT Wisma Jatim Propertindo and PT Maharama Sakti in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of ABA:

	Rp
Cash and Cash Equivalents	23,493,131
Inventory	596,653,057,314
Prepaid Taxes	49,650,000
Advance	6,770,907,000
Due from Related Parties Non-trade	2,857,325,000
Trade Accounts Payable - Third Parties	(4,421,830,000)
Tax Payables	(4,060,000)
Non-Controling Interest	(116,036,290)
Due to Related Parties Non-trade	(57,917,613,715)
Net Assets	**543,894,892,440**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	543,894,892,440
Goodwill	5,791,607,560
Total Purchase Consideration	**549,686,500,000**

Goodwill arising from the acquisition amounted to Rp5,791,607,560 (see Note 16) which is the result of a subsidiary that support the business and synergies with the Group's core business.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year of statements of profit or loss and other comprehensive income.

In connection with the acquisition, ABA financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and profit before income tax ABA since date of acquisition which are included in the consolidated statements of profit or loss and other comprehensive income for the year ended December 31, 2014 amounted to nil.

Operating revenues and profit from ABA for the year ended December 31, 2014, as if ABA has been consolidated from January 1, 2014 is nil.

Acquisition of PT Rashal Siar Cakra Medika (RSCM)

On July 26, 2014, PT Tunggal Pilar Perkasa (TPP) and PT Buana Mandiri Selaras (BMS), acquired 75% and 25%, respectively, ownership in PT Rashal Siar Cakra Medika (RSCM) from third parties, in line with the strategic business expansion plan which supports the Group’s business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of RSCM:

	Rp
Cash and Cash Equivalents	728,784,434
Trade Accounts Receivable	3,448,662,848
Other Current Financial Assets	1,103,523,414
Inventory	2,262,299,275
Prepaid Tax	3,907,670,574
Prepaid Expenses	142,249,976
Due from Related Parties Non-trade	742,933,125
Property, Plant and Equipment	100,970,760,605
Trade Accounts Payable - Third Parties	(4,598,342,558)
Accrued Expenses	(5,394,701,296)
Tax Payable	(781,249,546)
Other Current Financial Laibilities	(16,609,381,086)
Long-Term Bank Loan	(68,202,736,290)
Deffered Tax Liabilities	(14,634,088,702)
Other Non-Current Financial Liabilities	(72,162,000)
Net Assets	**3,014,222,773**
Portion Ownership Acquired	100%
Portion of Ownership of Fair Value of Net Assets	3,014,222,773
Goodwill	101,776,732,211
Total Purchase Consideration	**104,790,954,984**

Goodwill arising from the acquisition amounted to Rp101,776,732,211 (see Note 16) and represents subsidiary business results that support and synergy with the core business of the Group.

Cost related to the acquisition amounted to Rp1,124,632,854, recorded as acquisition cost.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

In connection with the acquisition, the financial statements of RSCM from the date of acquisition have been consolidated into the financial statements of the Group.

Total revenue and loss before tax of RSCM since the date of acquisition which are included in the consolidated to statements of profit or loss and other comprehensive income for the year ended December 31, 2014 amounted to Rp36,921,501,108 and Rp489,251,724, respectively.

Total revenue and loss of RSCM for the year ended December 31, 2014, as if RSCM was consolidated since January 1, 2014 amounted to Rp36,921,501,108 and Rp298,135,217, respectively.

49. Non-Cash Transactions

The following are investing and financing activities which do not affect cash flows:

- As of December 31, 2015, acquisition of subsidiaries through realization of advances amounted to Rp170,100,000,000.
- As of December 31, 2015, additional joint venture investment through realization of advances amounted to Rp24,457,010,000.
- As of December 31, 2015 and 2014, addition of property and equipment through realization of advances on purchase of property and equipment amounted to Rp29,210,918,565 and Rp26,847,346,117, respectively.
- As of December 31, 2015, addition of investment property through reclassification from inventory amounted to Rp66,455,920,125.

- As of December 31, 2015, addition of investment property through reclassification from property and equipment amounted to Rp54,835,032,831.
- As of December 31, 2015, addition of property and equipment through reclassification from inventory amounted to Rp461,342,063,858.
- As of December 31, 2015, addition of AFS investment in LMIR Trust of 28,444,528 units (equivalent Rp93,158,122,733) and in First REIT of 5,195,353 units (equivalent Rp65,645,011,137) through payment of management fees to LMIRT Management Ltd and Bowsprit Capital Corporation Ltd, respectively.
- As of December 21, 2015 addition investment AFS in PT Kawasan Industri Jababeka through dividend received of 31.236,573 unit (equivalent Rp9,564,055,735).
- As of December 21, 2015, Receipt of Hotel and Hospital Performance Guarantee amounted to Rp18,000,000,000, still payable.
- As of December 21, 2015, disposal of property and equipment through other receivables amounted Rp85,000,000.
- As of December 31, 2014, addition of AFS investment from payment dividend in units amounted to 4,007,826 unit and 1,056,264 unit First REIT (equivalent Rp41,443,193,780, and Rp11,062,553,461) in Brigdewater International Ltd and PT Menara Tirta Indah, respectively.
- As of December 31, 2014, addition of AFS investment from management fee amounted to 5,761,962 unit First REIT (equivalent Rp70,223,391,500) in Bowsprit Capital Corporation Ltd and 12,427,536 unit of LMIR Trust (equivalent Rp46,133,184,680) in LMIRT Management Ltd.
- As of December 31, 2014, addition of AFS investment in Bridgewater International Ltd, a subsidiary, amounted to SGD45,000,000 (equivalent Rp419,983,000,000) through property sales of Mall Kemang to LMIR Trust.
- As of December 31, 2014, acquisition of subsidiaries through realization of advances amounted to Rp502,400,000,000.
- As of December 31, 2014, payable on the acquisition of subsidiaries amounted to Rp20,366,632,213.

50. Capital Management

The objective of capital management is to safeguard the Company's ability as a going concern, maximize the returns to stockholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company regularly reviews and manages the capital structure to ensure that the return to stockholders is optimal, by considering the capital needs in the future and the Company's capital efficiency, profitability in the present and the future, projected operating cash flows, projected capital expenditures and projected opportunities of strategic investment.

	2015 Rp	2014 Rp
Net Liabilities:		
Total Liabilities	22,409,793,619,707	20,235,547,016,505
Less: Cash and Cash Equivalents	(1,839,366,003,277)	(3,582,643,822,338)
Total Net Liabilities	20,570,427,616,430	16,652,903,194,167
Total Equity	18,916,764,558,342	17,620,829,858,097
Less:		
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265	19,535,347,265
Difference in Transactions with Non-Controlling Interest	1,551,184,427,661	529,570,372,012
Other Equity Components	1,105,101,368,218	1,105,101,368,218
Retain Earnings	56,437,249,458	45,536,555,434
Other Comprehensive Income	482,023,339,014	840,369,302,174
Non-Controlling Interests	2,522,623,681,891	2,033,249,666,540
Total	5,736,905,413,507	4,573,362,611,643
Adjusted Equity	13,179,859,144,835	13,047,467,246,454
Net Liabilities Ratio to Adjusted Equity	**1.56**	**1.28**

51. Events After Reporting Date

- On January 8, 2016, PT Pamor Paramitha Utama, a subsidiary, entered into a conditional sales and purchase agreement of Lippo Mall Kuta (Bali) with Lippo Mall Indonesia Retail Trust (LMIRT) at a price of SGD81.8 Million (equivalent to Rp800 Billion). Until completion date of the consolidated financial statements there is no payment yet from LMIRT.
- On January 20, 2016, PT Kreasi Tunas Bangsa and Mega Indah Gemilang, subsidiaries, acquired the whole ownership of PT Prima Cipta Lestari owned by PT Mitra Prima Kreasi and Matahari Pasific, related parties, at acquisition cost of Rp4,700,000,000.
- On February 3, 2016 PT Mulia Citra Abadi, a subsidiary, entered into a conditional sales and purchase agreement of property Siloam Yogyakarta Hospitals and Lippo Plaza Yogyakarta, respectively, with First REIT and LMIRT at the price of each amounted to SGD40,82 Million and SGD51 Million (equivalent to total of Rp900 Billion). Until completion date of the consolidated financial statements there is no payment yet from First REIT and LMIRT.

52. Recent Development of Financial Accounting Standards (SAK)

Standard and improvements to standards effective for periods beginning on or after January 1, 2016, with early application permitted are as follows:

Standard
SFAS 110 (Revised 2015): “Accounting for Sukuk”

Adjustment
- SFAS No.5 “Operating Segments”
- SFAS No.7 “Related Party Disclosures”
- SFAS No.13 “Investments Property”
- SFAS No.16 “Property and equipment”
- SFAS No.19 “Intangible Assets”
- SFAS No.22 “Business Combination”
- SFAS No.25 “Accounting Policies, Changes in Accounting Estimates and Errors”
- SFAS No.53 “Share-based Payments”
- SFAS No.68 “Fair Value Measurement”

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with retrospective application are as follows:
- SFAS No.4 “Separate Financial Statements about Equity Method in Separate Financial Statements”
- SFAS No.15 “Investment in Associates and Joint Arrangement about Investment Entities: Applying the Consolidation Exception”
- SFAS No.24 “Employee Benefits about Defined Benefit Plans: Employee Contributions”
- SFAS No.65 “Consolidation Financial Statements about Investment Entities: Applying the Consolidation Exception”
- SFAS No.67 “Disclosures of Interest in Other Entities about Investment Entities: Applying the Consolidation Exception”
- IFAS No.30 “Levies”

Amendments to standards and interpretation which are effective for periods beginning on or after January 1, 2016, with prospective application are as follows:
- SFAS 16 No. “Property and equipment about Clarification of Acceptable Methods of Depreciation and Amortization”
- SFAS No.19 “Intangible Asset about Clarification of Acceptable Methods of Depreciation and Amortization”
- SFAS No.66 “Joint Arrangements about Accounting for Acquisitions of Interests in Joint Operation”

Amendments to standard and interpretation effective for years beginning on or after January 1, 2017, with early application permitted are

- Amendments to SFAS No.1:" Presentation of Financial Statements about Disclosure Initiative"
- IFAS No.31, Scope Interpretation of SFAS No.13 "Investment Property."

Standard and amendment to standard effective for periods beginning on or after January 1, 2018, with early application permitted are:

- SFAS No.69: "Agriculture"
- Amendments SFAS No.16: "Property and equipment about Agriculture: Bearer Plants".

Until the date of the consolidated financial statements being authorized, the Group is still evaluating the potential impact of the adoption of new standards, amendments to standards and interpretations of these standards.

53. Responsibility and Issuance for the Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the consolidated financial statements. The consolidated financial statements were authorized for issuance by Directors on Februari 26, 2016.

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES

Consolidated Financial Statements
For the Years Ended December 31, 2014 and 2013

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES

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PT LIPPO KARAWACI TBK

DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

We the undersigned:

1.	Name	: Ketut Budi Wijaya
	Address	: Menara Matahari Lt. 22 Jln. Bulevar Palem Raya No. 7 Lippo Karawaci, Tangerang 15811
	Residential Address (as in identity card)	: Jln. Percetakan Negara II/3 Johar Baru, Jakarta Pusat.
	Telephone	: (021)2566 9000
	Title	: President Director
2.	Name	: Ninik Prajitno
	Address	: Menara Matahari Lt. 22 Jln. Bulevar Palem Raya No. 7 Lippo Karawaci, Tangerang 15811
	Residential Address (as in identity card)	: Jln. Prisma Block B.3/24 Taman Kedoya Permai, Jakarta Barat
	Telephone	: (021)2566 9000
	Title	: Finance Director

State that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Lippo Karawaci Tbk ("the Company);
2. The Company's consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. a. All information contained in the Company's consolidated financial statements is complete and correct;
   b. The Company's consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 3 March 2015
PT Lippo Karawaci Tbk

METERAI TEMPEL
F8F2EACF598234003
6000 DJP

Ketut Budi Wijaya	**Ninik Prajitno**
President Director	Finance Director

7 Boulevard Palem Raya # 22-00 Menara Matahari, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia
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This report is originally issued in Indonesia language

Number : R/150.AGA-E/dwd.1/2015

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Independent Auditors' Report

The Stockholders, Commissioners and Directors
PT Lippo Karawaci Tbk

We have audited the accompanying consolidated financial statements of PT Lippo Karawaci Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014 and the consolidated statement of comprehensive income, statement of changes in equity, and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Licence number :
Minister of Finance : 1048/KM.1/2009
Capital Market Supervisory Board (BAPEPAM) : 405
Bank Indonesia : 063

Branch Office :
Jl. Mayjen Sungkono
Komplek Darmo Park I Blok III B 17-19
Surabaya 60256 - Indonesia

RSM AAJ
Audit • Tax • Advisory

This report is originally issued in Indonesia language

Opinion
In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the consolidated financial position of PT Lippo Karawaci Tbk and its subsidiaries as of December 31, 2014, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Aryanto, Amir Jusuf, Mawar & Saptoto

Didik Wahyudiyanto
Public Accountant License Number: AP. 0502

Jakarta, March 3, 2015

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2014 and 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

ASET	Notes	2014 Rp	2013 Rp
Current Assets			
Cash and Cash Equivalents	2.c, 2.d, 2.f, 2.x, 3, 9, 42, 44	3,529,169,475,504	1,855,051,780,961
Trade Accounts Receivable	2.x, 2.y, 4, 44		
Third Parties	2.c, 42	947,553,882,292	769,239,450,809
Related Parties	2.f, 9	3,549,747,604	2,432,208,891
Other Current Financial Assets	2.c, 2.s, 2.x, 2.y, 5, 40.d, 42, 44	8,111,010,264,150	6,778,482,488,250
Inventories	2.g, 2.l, 2.m, 6	16,553,035,543,518	13,894,009,358,067
Prepaid Taxes	2.u, 17.c	621,469,444,851	576,053,458,431
Prepaid Expenses	2.h, 7, 40.b	196,903,364,687	137,858,917,501
Total Current Assets		29,962,691,722,606	24,013,127,662,910
Non-Current Assets			
Due from Related Parties Non-Trade	2.f, 2.x, 9, 44	14,788,363,567	9,737,396,584
Other Non-Current Financial Assets	2.c, 2.x, 8, 42, 44	619,925,241,308	518,798,100,269
Investments in Associates	2.e, 2.f, 9, 10	123,283,762,281	130,431,496,396
Investment Property	2.i, 2.k, 2.m, 11	310,304,754,503	306,361,105,208
Property and Equipment	2.j, 2.m, 2.y, 12	3,208,762,510,252	2,810,892,282,327
Intangible Assets	2.n, 2.o, 2.y, 13, 45	522,577,738,505	331,840,973,411
Deferred Tax Assets	2.u, 2.y, 17.b	52,255,688,231	50,363,528,322
Advances	14	1,711,441,680,688	1,456,429,749,828
Land for Development	2.g, 15	1,136,227,496,536	1,611,411,858,630
Other Non-Current Non-Financial Assets		98,961,735,218	60,968,276,381
Total Non-Current Assets		7,798,528,971,089	7,287,234,767,356
TOTAL ASSETS		**37,761,220,693,695**	**31,300,362,430,266**

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)
As of December 31, 2014 and 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	2014 Rp	2013 Rp
LIABILITIES			
Current Liabilities			
Trade Accounts Payable - Third Parties	2.c, 2.x, 18, 42, 44	395,133,955,463	397,748,177,608
Accrued Expenses	2.c, 2.l, 2.t, 2.x, 16, 42, 44	1,125,429,552,800	551,608,473,508
Taxes Payable	2.u, 17.d	647,229,469,182	253,597,145,454
Short-Term Employment Benefits Liabilities	2.f, 2.q, 2.y, 9, 44	18,383,620,765	13,318,752,901
Short-Term Bank Loans	2.x, 19, 44	173,540,195,011	4,927,167,196
Current Portion of Long-Term-Bank Loans	2.x, 21, 44	12,435,856,488	11,792,174,233
Other Current Financial Liabilities	2.x, 20, 42, 44	407,086,748,603	300,183,744,169
Advances from Customers	2.t, 24	2,456,690,149,393	3,076,033,864,066
Deferred Income	2.f, 2.t, 9, 25	362,175,439,809	112,750,964,416
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	127,287,435,838	119,603,248,421
Total Current Liabilities		5,725,392,423,352	4,841,563,711,972
Non-Current Liabilities			
Long-Term Bank Loans	2.x, 21, 44	30,525,083,739	42,960,940,232
Due to Related Parties Non-Trade	2.f, 2.x, 9, 44	3,379,278,119	3,828,292,119
Bonds Payable	2.c, 2.p, 2.x, 22, 42, 44	9,780,611,296,551	7,747,839,607,892
Other Non-Current Financial Liabilities	2.x, 44	67,387,383,763	50,996,677,731
Long-Term Employment Benefits Liabilities	2.f, 2.q, 2.y, 9, 23	218,394,264,254	187,635,603,635
Deferred Tax Liabilities	2.u, 2.y, 17.b	28,147,868,966	11,983,104,371
Advances from Customers	2.t, 24	2,695,672,067,330	2,245,662,396,406
Deferred Income	2.f, 2.t, 9, 25	418,009,418,689	715,824,259,042
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	1,147,252,565,727	1,274,494,531,641
Total Non-Current Liabilities		14,389,379,227,138	12,281,225,413,069
Total Liabilities		**20,114,771,650,490**	**17,122,789,125,041**
EQUITY			
Equity Attributable to Owner of the Parent Company			
Capital Stock			
Par Value - Rp100			
Authorized Capital - 64,000,000,000 shares			
Issued and Fully Paid - 23,077,689,619 shares	27	2,307,768,961,900	2,307,768,961,900
Additional Paid-in Capital - Net	2.r, 2.x, 28	4,063,148,621,880	4,063,148,621,880
Difference in Transactions with Non-Controlling Interest	2.b, 29	529,570,372,012	(185,773,768,543)
Other Component Equity	2.x, 30	1,105,101,368,218	1,105,101,368,218
Treasury Stock	2.x, 27	(216,524,113,794)	(216,524,113,794)
Retained Earnings		6,975,737,954,433	4,748,452,643,994
Other Comprehensive Income	32	840,369,302,174	978,701,350,944
Total Equity Attributable to Owner of the Parent		**15,605,172,466,823**	**12,800,875,064,599**
Non-Controlling Interests	2.n, 33	**2,041,276,576,382**	**1,376,698,240,626**
Total Equity		**17,646,449,043,205**	**14,177,573,305,225**
TOTAL LIABILITIES AND EQUITY		**37,761,220,693,695**	**31,300,362,430,266**

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2014 and 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2014 Rp	2013 Rp
REVENUES	2.f, 2.t, 2.y, 9, 34	11,655,041,747,007	6,666,214,436,739
COST OF SALES	2.t, 35	(6,257,664,110,188)	(3,619,571,510,440)
GROSS PROFIT		**5,397,377,636,819**	**3,046,642,926,299**
Operating Expenses	2.t, 36	(2,120,565,543,596)	(1,534,231,202,817)
Other Income	2.t, 38	595,445,979,296	585,090,607,595
Other Expenses	2.t, 38	(63,467,956,030)	(154,481,982,099)
PROFIT FROM OPERATIONS		**3,808,790,116,489**	**1,943,020,348,978**
Financial Charges - Net	37	(122,050,717,802)	(26,711,729,704)
Share in the Profit of Associates	2.e, 2.f, 10	8,239,143,222	8,521,607,706
PROFIT BEFORE TAX		**3,694,978,541,909**	**1,924,830,226,980**
Tax Expenses	2.t, 2.u, 17.a	(559,762,631,282)	(332,339,012,284)
PROFIT FOR THE YEAR		**3,135,215,910,627**	**1,592,491,214,696**
OTHER COMPREHENSIVE INCOME			
Gain from Translation of Financial Statements	2.c, 32	117,468,872,709	551,913,534,644
Loss on Changes in Fair Value of Available-for-Sale Financial Assets	2.c, 2.x, 5, 32	(255,800,921,479)	(468,256,797,333)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		(138,332,048,770)	83,656,737,311
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,996,883,861,857**	**1,676,147,952,007**
Profit for the Year Attributable to:			
Owner of the Parent		2,547,285,310,439	1,228,230,222,876
Non-Controlling Interests	2.b	587,930,600,188	364,260,991,820
		3,135,215,910,627	**1,592,491,214,696**
Total Comprehensive Income for the Year Attributable to:			
Owner of the Parent		2,408,953,261,669	1,311,886,960,187
Non-Controlling Interests	2.b	587,930,600,188	364,260,991,820
		2,996,883,861,857	**1,676,147,952,007**
EARNINGS PER SHARE			
Basic, Profit for the Year Attributable to Ordinary Shareholders of the Parent	2.v, 39	111.86	53.94

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

These consolidated financial statements are originally issued in Indonesian language

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2014 and 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

		Total Equity Attributable to Owner of Parent															
			Additional Paid-in Capital - Net					Retained Earnings			Other Comprehensive Income						
	Notes	Issued and Fully Paid Capital Stock Rp	Paid-in Capital Excess of Par - Net Rp	Difference in Value from Restructuring Transactions between Entities Under Common Control-Net Rp	Total Rp	Difference in Transactions with Non-Controlling Interest Rp	Treasury Stock Rp	Appropriated Rp	Unappropriated Rp	Total Rp	Translation of Financial Statements Rp	Available for Sale Financial Assets Rp	Total Rp	Other Component Equity Rp	Total Rp	Non-Controlling Interest Rp	Total Rp
BALANCE AS OF DECEMBER 31, 2012		2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	(242,888,251,427)	(216,524,113,794)	6,000,000,000	3,784,222,421,118	3,790,222,421,118	60,134,221,651	894,254,875,437	954,389,097,088	--	10,656,116,736,765	813,989,653,710	11,470,106,390,475
Equity Changes in 2013																	
Dividend and Reserved Fund	31	--	--	--	--	--	--	1,000,000,000	(271,000,000,000)	(270,000,000,000)	--	--	--	--	(270,000,000,000)	--	(270,000,000,000)
Disposal of Shares in Subsidiary	29	--	--	--	--	51,469,368,683	--	--	--	--			--	--	51,469,368,683	--	51,469,368,683
Dividend Distribution In Subsidiary		--	--	--	--	--	--	--	--	--	--	--	--	--	--	(42,222,932,031)	(42,222,932,031)
Acquisition of Shares in Subsidiary	29	--	--	--	--	5,645,114,201	--	--	--	--	--	--	--	--	5,645,114,201	(8,165,114,201)	(2,520,000,000)
Difference in Foreign Currency from Transactions of Non-controlling Interest	32	--	--	--	--	--	--	--	--	--	(59,344,483,455)	--	(59,344,483,455)	--	(59,344,483,455)	--	(59,344,483,455)
Additional Paid-in Capital from Subsidiary Through Initial Public Offering	30	--	--	--	--	--	--	--	--	--	--	--	--	1,105,101,368,218	1,105,101,368,218	221,631,120,271	1,326,732,488,489
Acquisition of Subsidiary		--	--	--	--	--	--	--	--	--	--	--	--	--	--	27,204,521,057	27,204,521,057
Total Comprehensive Income for the Year		--	--	--	--	--	--	--	1,228,230,222,876	1,228,230,222,876	551,913,534,644	(468,256,797,333)	83,656,737,311	--	1,311,886,960,187	364,260,991,820	1,676,147,952,007
BALANCE AS OF DECEMBER 31, 2013		2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	(185,773,768,543)	(216,524,113,794)	7,000,000,000	4,741,452,643,994	4,748,452,643,994	552,703,272,840	425,998,078,104	978,701,350,944	1,105,101,368,218	12,800,875,064,599	1,376,698,240,626	14,177,573,305,225
Dividend and Reserved Fund	31	--	--	--	--	--	--	1,000,000,000	(321,000,000,000)	(320,000,000,000)	--	--	--	--	(320,000,000,000)	--	(320,000,000,000)
Disposal of Shares in Subsidiary	29	--	--	--	--	741,092,494,948	--	--	--	--	--		--	--	741,092,494,948	116,907,505,052	858,000,000,000
Dividend Distribution In Subsidiary		--	--	--	--	--	--	--	--	--	--	--	--	--	--	(29,228,373,877)	(29,228,373,877)
Acquisition of Shares in Subsidiary	29	--	--	--	--	(25,748,354,393)	--	--	--	--	--	--	--	--	(25,748,354,393)	(19,281,645,607)	(45,030,000,000)
Non-controling Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	8,250,250,000	8,250,250,000
Total Comprehensive Income for the Year		--	--	--	--	--	--	--	2,547,285,310,439	2,547,285,310,439	117,468,872,709	(255,800,921,479)	(138,332,048,770)	--	2,408,953,261,669	587,930,600,188	2,996,883,861,857
BALANCE AS OF DECEMBER 31, 2014		2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	529,570,372,012	(216,524,113,794)	8,000,000,000	6,967,737,954,433	6,975,737,954,433	670,172,145,549	170,197,156,625	840,369,302,174	1,105,101,368,218	15,605,172,466,823	2,041,276,576,382	17,646,449,043,205

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

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2014 Rp	2013 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Collections from Customers		10,860,045,389,639	7,810,716,658,086
Payments to Suppliers		(7,656,034,420,150)	(8,002,801,477,895)
Payments to Employees		(1,288,080,174,631)	(926,561,441,291)
Interest Received		64,860,824,565	93,717,333,882
Tax Payments		(450,403,061,640)	(493,771,036,685)
Interest Payments		(798,918,462,470)	(560,124,264,854)
Net Cash Provided by (Used in) Operating Activities		731,470,095,313	(2,078,824,228,757)
CASH FLOWS FROM INVESTING ACTIVITIES			
Property and Equipment			
Disposal		665,198,588	814,869,309,976
Acquisition		(625,009,364,434)	(1,288,374,464,375)
Receipt of Hotel and Hospital Performance Guarantee		156,000,000,000	102,000,000,000
Acquisition of Investment Property		(21,460,468,648)	(22,911,940,070)
Receipt of Dividend		247,350,342,124	312,795,102,215
Purchases of Minority Interest in Subsidiary	1.c	(45,030,000,000)	(2,520,000,000)
Acquisition of Subsidiaries, Net of Cash Transferred	1.c	--	321,102,682,275
Placement of Restricted Funds		(101,127,141,039)	(116,166,840,489)
Acquisition of Subsidiries, Net of Cash Acquired	1.c, 45	(206,525,706,710)	(160,815,519,862)
Disposal of Share in Subsidiary	1.c	858,000,000,000	53,100,000,000
Disposal of Investments in Association	10	15,295,000,000	--
Placement of Investments and Advances		(626,756,261,175)	(593,399,462,251)
Net Cash Used in Investing Activities		(348,598,401,294)	(580,321,132,581)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Bond Issuance	22		
Received		1,716,600,000,000	1,347,241,187,500
Repayment		--	(1,211,305,833,210)
Issuance Cost		(127,071,741,361)	(23,419,111,967)
Proceeds from Capital Raising through Initial Public Offering of Subsidiary			
Received		--	1,404,900,000,000
Stock Issuance Cost		(1,899,274,884)	(78,466,324,884)
Proceeds from Short-Term Bank Loan			--
Received		570,000,000,000	--
Payment		(401,386,972,185)	--
Receipts from (Payment to) Related Parties - net		(5,499,980,983)	2,362,551,181
Dividend Distribution to:			
Owners of the Parent Company	31	(320,000,000,000)	(270,000,000,000)
Non-Controlling Interest		(29,228,373,877)	(18,205,678,140)
Long-Term Bank Loans			
Receipts		--	73,583,300
Payments		(81,381,882,713)	(11,218,103,421)
Net Cash Provided by Financing Activities		1,320,131,773,997	1,141,962,270,359
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,703,003,468,016	(1,517,183,090,979)
Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the Year		(28,885,773,473)	34,877,464,021
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS		1,855,051,780,961	3,337,357,407,919
ENDING BALANCE OF CASH AND CASH EQUIVALENTS		**3,529,169,475,504**	**1,855,051,780,961**

Additional information that does not affect the activity of cash flows are presented in Note 46.

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

1. General

1.a. The Company's Establishment

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 34 dated July 19, 2013, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange article 12:2, 12:3 and 12:5, article 14:15, article 17:3, article 19:2 and article 21:9 of the Company's article of association. The deed was received by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.10.32306 dated August 1, 2013.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers and sports centers, supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and subsidiaries ("the Group"), includes Sumatera, Java, Bali, Kalimantan, Sulawesi, Nusa Tenggara and several subsidiaries domiciled in Singapura, Malaysia and Seychelles.

The Company is domiciled at Jl Boulevard Palem Raya No. 7, Menara Matahari 22nd - 23rd floor, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

1.b. The Company's Initial Public Offering

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed in the Indonesian Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in the Indonesian Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares which increased the Company's total outstanding shares to 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

In 2004, the Company offered 881,905,813 common shares at par value of Rp 500 to the stockholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to stockholders who exercised their rights in the Limited Public Offering II. This offering was approved by the Decree of the Chairman of Bapepam-LK in his Letter No. S-3357/PM/2004 dated October 29, 2004. These shares were listed in the Indonesian Stock Exchange on January 20, 2005.

On July 28, 2006, the Company exercised stock split from one to two shares. The outstanding 5,871,017,072 shares as of December 31, 2006 have been listed in the Indonesian Stock Exchange.

On December 26, 2007, the Company exercised stock split from Rp 250 to Rp 100 per share. The outstanding 17,302,151,695 shares as of December 31, 2007 have been listed in the Indonesian Stock Exchange.

In December 2010, the Company offered 4,325,537,924 common shares with a par value of Rp 100 to the stockholders through Limited Public Offering III. This offering has received an effective notice of registration statement through the letter of the Chairman of Bapepam-LK No. S-10674/BL/2010, dated November 29, 2010 and was approved by the stockholders through a resolution of the EGM on same date. On December 29, 2010 these shares were listed in the Indonesian Stock Exchange.

Based on the Deed of Extraordinary General Meeting of Stockholders (EGMS) No. 02 dated May 3, 2010 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, which was recently updated by the Deed of EGMS Resolution No. 13 dated March 9, 2011, made in the presence of same notary, the stockholders approved the issuance of new shares within the framework of the Non Preemptive Rights Issuance (NPRI) with a maximum of 10% of paid-in capital or 2,162,768,961 shares. The NPRI can be implemented at once and / or gradually within a period of 2 (two) years as approved by the EGMS. On June 6, 2011, the addition of 1,450,000,000 shares has been issued. The new shares were listed in the Indonesian Stock Exchange on June 8, 2011.

Based on the Deed of EGMS No. 19 dated November 15, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, the shareholders approved the repurchase (buyback) of outstanding shares. In 2011, the number of shares repurchased amounted to 96,229,500 shares, bringing the total number of ordinary shares outstanding as of the December 31, 2011 amounted to 22,981,460,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 005/LK-COS/I/2012 dated January 13, 2012.

The repurchased of the outstanding ordinary shares made in 2012 totalling 209,875,000 shares, bringing the outstanding shares as of December 31, 2012 amounted to 22,771,585,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

1.c. The Company's Structure

The Company has ownership of more than 50%, either direct or indirectly, in the following subsidiaries:

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
Theta Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	10,233,632,441,423	8,100,341,636,642
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	10,183,435,340,378	8,099,977,832,535
Sigma Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	5,061,361,538	5,756,864,822
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,646,411,779	4,871,621,023
Lippo Karawaci Corporation Pte Ltd**** and Subsidiaries	Singapore	investment, Trading and Services	100.00%	--	--	455,785,406,201	327,604,173,495
LK Reit Management Pte Ltd**** and Subsidiary	Singapore	investment, Trading and Services	--	100.00%	--	455,785,415,623	327,604,183,123
Bowsprit Capital Corporation Ltd****	Singapore	investment, Trading and Services	--	100.00%	2006	455,785,406,201	327,604,173,495
Jesselton Investment Limited*** and Subsidiaries	Malaysia	investment, Trading and Services	100.00%	--	--	478,464,512,018	473,463,467,740
Peninsula Investment Limited*** and Subsidiary	Malaysia	investment, Trading and Services	--	100.00%	--	478,464,524,458	473,463,479,929
LMIRT Management Ltd ****	Singapore	investment, Trading and Services	--	100.00%	2007	478,464,512,018	473,463,467,740
PT Primakreasi Propertindo and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	100.00%	--	--	7,937,655,412,752	5,033,684,100,079
PT Mujur Sakti Graha and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	25,546,934,531	22,342,846,137
PT Surplus Multi Makmur and Subsidiary	Jakarta	Real Estate	--	90.00%	--	44,590,731,858	19,104,249,992
PT Arta Sarana	Bandung	investment, Trading and Services	--	81.00%	--	44,594,110,337	44,236,407,943
PT Puri Paragon	Tangerang	Development, Trading and Services	--	100.00%	--	580,592,942	583,842,942
PT Menara Tirta Indah	Tangerang	Development, Trading and Services	--	100.00%	--	564,260,253,179	459,602,540,578
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	20,153,684,173	20,172,372,441
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	6,484,801,290	8,412,773,847
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	10,494,851,647	12,215,080,640
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	114,452,874,393	114,945,635,777
PT Safira Prima Utama (8.65% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	125,747,926,689	125,740,248,877
PT Kalimaya Pundi Bumi (1.55% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	877,028,352,524	125,764,474,163
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,859,299,858	116,253,296,282
PT Graha Solusi Mandiri and Subsidiary	Jakarta	Services	--	100.00%	--	116,209,887,731	116,253,296,282
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	80.00%	--	126,269,155	126,269,155
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	837,936,902	869,375,000
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	80,585,959,945	584,400,000
PT Mandiri Cipta Gemilang and Subsidiaries	Jakarta	Real Estate	--	100.00%	2003	4,613,658,074,695	3,363,549,073,489
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	98,312,623,408	17,337,397,886
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--	120,443,039,582	1,000,000,000
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,473,364,010	2,498,880,492
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	244,372,362,940	143,584,829,329
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	29,987,464,604	30,017,757,025

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						2014 Rp	2013 Rp
PT Bimasakti Jaya Abadi and Subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	684,601,729,872	570,249,935,364
PT Kuta Beach Paragon and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	468,915,359,383	410,493,719,197
PT Graha Buana Utama and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	449,860,654,085	371,219,215,792
PT Berkat Langgeng Jaya and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	450,427,476,085	371,186,037,792
PT Pamor Paramita Utama	Badung	Development, Trading and Services	--	87.50%	2013	439,900,736,204	360,853,919,066
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	3,999,011,976	3,997,387,808
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--	324,147,004,722	110,465,283,369
PT Danisa Indah Cipta andSubsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	544,184,929	557,734,957
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	101,389,170	119,683,093
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,743,180,248	4,109,795,193
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,996,146,526	1,997,855,429
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	41,753,819,692	40,827,168,188
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,567,249,436	15,567,878,859
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	29,602,681,982	2,000,001,000
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	1,780,260,937	812,669,333
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	587,618,750	588,268,750
PT Lautan Sinar Abadi and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	361,097,840	279,137,840
PT Usahatama Kreatif and Subsidiaries	Tangerang	Development, Trading and Services	--	86.50%	--	458,647,840	393,937,840
PT Kreasi Tunas Bangsa and Subsidiary	Tangerang	Development, Trading and Services	--	87.51%	--	894,398,840	393,937,840
PT Grahatama Asri Makmur	Tangerang	Development, Trading and Services	--	87.51%	--	915,147,840	848,937,840
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	584,750,000	586,500,000
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	5,118,094,087	5,130,932,671
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	36,716,926,574	20,076,023,874
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,182,399,840	11,209,988,075
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,326,167,400	100,000,000
PT Bumi Arum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--	47,017,100,849	34,958,606,230
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	63,005,000	74,505,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	794,563,922,776	437,334,970,821
PT Jayadipta Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,326,167,400	74,505,000
PT Bumi Sinandg Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	154,463,197	74,505,000
PT Cahaya Teratai Sakti [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	581,980,381	600,000,000
PT Damarindo Perkasa [1])	Jambi	Development, Trading, Printing and Services	--	100.00%	--	42,633,127,624	2,124,520,443
PT Cipta Dunia Abadi [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	589,329,126	586,779,840
PT Puri Istana Megah [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	585,000,000
PT Sekawan Dunia Dinamika [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	585,000,000
PT Citra Dwi Anugrah [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	530,373,719	585,000,000
PT Pelangi Mutiara Timur [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	514,070,812	572,533,202
PT Sari Karya Muda [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	493,549,517	585,000,000
PT Sinar Biru Artha [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	585,000,000
PT Tunggal Mekar Abadi [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	585,000,000
PT Bowspirit Asset Management (formerly PT Graha anda Dinamika)	Jakarta	Perusahaan Efek	--	100.00%	--	24,696,754,836	25,064,315,139
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	927,629,672	32,100,000
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	31,350,000	32,100,000
PT Pradamas Graha Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	71,102,500	74,550,000
PT Mentari Adi Perkasa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	998,655,000	1,000,000,000
PT Berdikari Jaya Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	73,505,000	74,505,000
PT Lumbung Mas Trijaya and Subsidiaries [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	805,675,772,633	455,317,710,250
PT Karyatama Buana Cemerlang and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	745,594,458,836	395,286,397,453
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	--	685,308,685,960	334,999,846,577
PT Dwi Prabu Sakti [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Sumber Pundi Sejahtera [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Prabu Cipta Prima [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--	5,981,509,435	98,350,000
PT Pancuran Intan Makmur [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	50,502,630,728	600,000,000
PT Solusi Dunia Baru [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,186,726,571	100,000,000
PT Suar Lintas Samudra [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Berkat Samiguna Sukses [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Global Lintas Multitama [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Sarana Ciptakarya Utama [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	600,000,000
PT Mitra Samiguna Makmur [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,025,000	600,000,000
PT Cipta Mutiara Sukses [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	149,979,000,000	150,000,000,000
PT Suar Mutiara Semesta [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Manyala Harapan [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	80,081,744,189	600,000,000
PT Suar Lintas Benua and Subsidiary [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,185,000,000	600,000,000
PT BST Kupang Sejahtera [2])	Jakarta	Development, Trading, Printing and Services	--	50.10%	--	600,000,000	--
PT Mulia Cipta Wibawa [1])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	585,000,000	600,000,000
PT Andromeda Sakti	Tangerang	Development, Trading, Printing Transportation Agriculture Workshops and Services	--	100.00%	--	600,000,000	--
PT Persada Mandiri Jaya [2])	Jakarta	Development, Trading, and Services	--	55.00%	--	600,000,000	--
PT Bandha Mulia Abadi [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,154,900,000 600,000,000	--
PT Dutamas Cakra Tunggal [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Indocitra Mulia Pratama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Praja Adikara Utama [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Pusaka Sumber Artha ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Prima Sentosa Jaya Abadi ²)	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Indahjaya Sukses Abadi ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Mandara Nusa Loka ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Garda Utama Manado ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Cipta Bakti Utama ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Binaman Cipta Mandiri ²)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentra Dwimandiri and Subsidiaries (1.63% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	100.00%	--	--	5,554,696,500,604	5,207,529,100,191
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	6,264,108,920	566,439,123
PT Sentra Realtindo Development and Subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Improvement	--	100.00%	2001	125,456,126,578	142,641,942,235
PT Darma Sarana Nusa Pratama and Subsidiary	Tangerang	Real Estate	--	52.70%	1997	78,871,020,367	129,919,768,580
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	5,133,315,616	4,590,887,227
PT Golden Pradamas and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	618,852,901,965	651,508,440,961
PT Mulia Bangun Semesta and Subsidiaries	Tangerang	Real Estate	--	100.00%	2002	628,417,382,080	605,210,333,673
PT Villa Permata Cibodas and Subsidiaries	Tangerang	Real Estate	--	100.00%	1995	193,744,121,719	171,971,702,499
PT Puncak Resort International and Subsidiaries	Cianjur	Real Estate	--	100.00%	1994	75,594,996,697	77,085,241,483
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,671,635,374	23,233,857,605
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	8,803,481,567	8,778,198,567
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,182,386,068	7,502,108,827
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,825,161,812	1,974,379,891
PT Dona Indo Prima	Tangerang	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Sukmaprima Sejahtera	Tangerang	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Villapermata Gemilang Abadi ²)	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Bumi Sawarna Indah ²)	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Mulia Sentosa Dinamika (4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997	370,159,105,566	392,329,353,368
PT Sentra Asritama Realty Development and Subsidiaries	Tangerang	Instalasi Pengolahan Air	--	100.00%	1994	205,842,879,018	138,817,114,471
PT Tata Mandiri Daerah Lippo Karawaci and Subsidiary	Tangerang	Town Management	--	100.00%	1999	188,838,584,634	184,327,826,427
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	100.00%	--	20,332,287,869	20,296,132,390
PT Karya Bersama Jaya		Instalasi Pengolahan Air		100.00%	2010	30,798,919,227	22,355,375,100
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,367,856,443	33,383,974,697
PT Saptapersada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	8,288,307,254	8,784,570,253
PT Sejatijaya Selaras	Jakarta	Real Estate	--	100.00%	--	13,125,265,493	13,135,186,134
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,705,594,306	16,320,965,360
PT Sentra Office Realty	Tangerang	Bangunan	--	100.00%	1998	722,781,760	714,765,952
PT Dinamika Intertrans	Jakarta	Transportation	--	100.00%	1994	964,049,979	739,293,346
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	468,506,000	472,167,000
PT Agung Sepaand	Tangerang	Real Estate	--	100.00%	--	2,554,714,463	2,584,158,954
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	161,033,503	178,113,372
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	7,295,708	11,842,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	6,914,966	11,661,966
PT Manunggal Bumi Sejahtera and Subsidiary ¹)	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	280,259,865,094	600,000,000
PT Asiatic Sejahterah Finance	Tangerang	Development, Trading, Printing and Services	--	100.00%	2009	15,572,832,958	--
PT Paragon City	Paandg	Real Estate and Trading	--	100.00%	--	15,693,826,615	15,711,019,723
PT Paandg Indah City	Tangerang	Trading Development and Services	--	100.00%	--	16,730,973,693	17,343,497,562
Bridgewater International Ltd***	Seychelles	investment and Trading	--	100.00%	2006	4,404,916,671,928	4,152,292,715,296
Pan Asian Investment Ltd*** and Subsidiary	Vanuatu	Trading	--	100.00%	--	6,790,208,086	6,790,208,086
Crowmwell Investment Ltd***	Vanuatu	Trading	--	100.00%	--	16,930	16,930

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Lippo Karawaci Infrastructure & Utilitas Division	Tangerang	Construction and Services	--	100.00%	--	222,777,677	227,469,000
PT TMD Manado Manajemen [2])	Tangerang	Management Consulting	--	100.00%	--	10,000,000,000	--
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	92,147,606,642	90,457,722,026
Evodia Strategic Investment Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	471,099,995,497	481,399,995,398
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	2014	8,882,409,080	3,651,764,705
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	19,759,833,203	3,651,764,705
PT TMD Depok Manajemen [1])		Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentrasemesta Indah Cemerlang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Wisma Jatim Propertindo and Subsidiaries (1.23% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Services	100.00%	--	--	5,523,249,922,896	4,957,581,216,900
PT Maharama Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk and 0.05% ownership in PT Siloam International Hospitals Tbk)	Jakarta	Trading	--	100.00%	--	274,316,000	274,316,000
PT Kemang Paragon Mall and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	5,695,597,309,696	2,104,029,712,761
PT Wahana Usaha Makmur and Subsidiaries	Jakarta	Real Estate	--	92.00%	--	5,695,540,104,557	2,150,098,431,752
PT Almaron Perkasa and Subsidiaries	Jakarta	Real Estate	--	92.00%	2005	5,681,674,371,674	2,520,357,222,225
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	92.00%	--	1,628,887,735	4,036,434,386
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	92.00%	2013	276,004,785,749	185,193,775,419
PT Prima Aman Sarana	Jakarta	Services	--	92.00%	--	116,643,334,519	146,940,702,091
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	92.00%	--	37,200,819,290	90,872,368,437
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	92.00%	--	600,000,000	600,000,000
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	92.00%	--	600,000,000	600,000,000
PT Lipposindo Abadi and Subsidiaries	Jakarta	Trading	--	100.00%	--	238,276,260,624	241,353,388,378
PT Kemuning Satiatama and Subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,361,108,783	236,437,068,768
PT Megachandra Karyalestari	Jakarta	Trading	--	100.00%	1992*	284,019,258	284,463,862
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	573,438,194	575,770,194
PT Sentrakharisma Indah and Subsidiaries	Jakarta	Services	--	80.00%	--	2,173,711,120	2,178,993,119
PT Carakatama Dirgantara and Subsidiary	Jakarta	Trading	--	100.00%	--	69,834,348,222	70,733,736,426
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	69,812,701,335	70,717,301,532
PT Ariasindo Sejati and Subsidiaries	Jakarta	Trading and Services	--	95.00%	--	191,748,810,171	201,966,025,990
PT Unitech Prima Indah and Subsidiary	Tangerang	Real Estate	--	94.69%	2004	192,761,131,922	192,496,613,706
PT Karya Cipta Pesona	Medan	Accomodation service provider	--	94.69%	2014	74,896,938,111	86,042,143,051
PT Metropolitan Leisure Corporation and Subsidiary	Jakarta	Trading and Services	--	100.00%	--	41,557,718,775	39,880,425,766
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	137,598,822	137,400,565
PT Graha Tata Cemerlang Makasar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	38,655,688,284	37,654,229,179
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	201,928,602	201,992,136
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003	2,561,472,245	2,469,715,518
PT Karunia Persada Raya and Subsidiaries	Tangerang	Trading	--	100.00%	--	77,299,339,376	2,463,939,742
PT Pendopo Niaga	Malang	Real Estate	--	100.00%	2004	77,299,339,376	43,278,529,038
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	20,762,420	21,880,420
PT Bathara Brahma Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*	4,795,177,427	4,799,886,917
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	349,690,497	356,013,588
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	114,474,044	115,402,350
PT Karunia Alam Damai and Subsidiaries	Jakarta	Trading	--	100.00%	--	196,663,052,126	186,725,120,251
PT Jagatpertala Nusantara	Depok	Real Estate	--	100.00%	2004	196,663,052,126	187,037,114,716
PT Muliamukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	1,321,000	2,353,000
PT Kemang Village and Subsidiaries	Jakarta	Trading	--	100.00%	--	279,875,638,597	265,201,711,328
PT Menara Bhumimegah and Subsidiaries	Jakarta	Services	--	100.00%	2005	189,377,390,443	145,669,814,979
PT Jaya Usaha Prima and Subsidiary	Jakarta	Real Estate	--	80.00%	--	104,335,643,396	84,996,480,991
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	104,333,671,396	84,993,509,841
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	91,009,848,574	84,381,070,289

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Menara Perkasa Megah and Subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	496,292,902,223	488,651,041,637
PT Pelangi Cahaya Intan Makmur and Subsidiaries	Surabaya	Trading	--	87.50%	--	405,866,682,928	398,825,863,392
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	--	87.50%	2005	405,902,441,099	398,869,116,943
PT Citra Harapan Baru	Surabaya	Accomodation	--	87.50%	--	2,000,000,000	2,000,000,000
PT Niaga Utama	Jakarta	Trading	--	100.00%	--	100,750,000	102,974,418
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--	1,887,217,700	1,887,217,700
PT Kreasi Megatama Gemilang and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Development, Industri, Agrobisnis, Transportation, Trading and Services	--	100.00%	--	779,553,625,206	617,888,194,976
PT Lippo Malls Indonesia and Subsidiaries	Tangerang	Services	--	100.00%	2002	779,806,682,710	617,917,482,776
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	4,186,335,003	4,353,054,147
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	79,453,666,600	79,777,239,000
PT Mulia Citra Abadi	Yogyakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	2012	345,113,361,598	206,257,959,135
PT Nusa Bahana Semesta ²)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Sky Parking Indonesia ²)	Tangerang	Development, Trading and Services	--	100.00%	--	21,000,000,000	--
PT Arwana Kreasi Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Gayana Sumber Cipta and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	737,150,000	750,000,000
PT Gaharu Alam Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	4,501,044,310	600,000,000
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	578,150,000	600,000,000
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--	586,400,000	600,000,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	5,046,378,129	600,000,000
PT Lembayung Karya Nirwana	Jakarta	Development, Trading and Services	--	100.00%	--	577,150,000	600,000,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	587,150,000	600,000,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	251,058,661,491	250,595,377,563
PT Saputra Karya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Surabaya	Real Estate and Urban Development	--	100.00%	--	102,500,564,787	77,237,650,725
PT Grand Provita and Subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	473,106,900	473,756,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	7,298,100	7,948,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	16,667,400	16,667,400
PT Anugerah Bahagia Abadi and Subsidiaries	Jakarta	Real Estate	--	100.00%	--	426,465,498,672	--
PT Internusa Prima Abadi	Jakarta	Real Estate	--	85.00%	--	1,013,883,079	--
PT Bangun Bina Bersama and Subsidiary	Jakarta	Real Estate	--	99.99%	--	426,462,547,802	--
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	100.00%	--	117,835,814,312	54,436,407,275
PT Mahakaya Abadi	Tangerang	Real Estate	--	100.00%	--	478,623,100	479,273,100
PT Persada Mandiri Dunia Niaga and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk	Jakarta	Real Estate	--	100.00%	--	84,216,800,553	100,011,882,484
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--	4,950,000,000	4,950,000,000
PT Gapura Sakti Prima and Subsidiaries	Jakarta	Real Estate	--	100.00%	--	69,231,905,196	203,854,041,638
PT Menara Megah Tunggal and Subsidiary	Jakarta	Real Estate	--	100.00%	--	69,095,997,694	203,854,041,638
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	68,923,453,279	210,001,460,937
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--	1,181,225,795	1,181,225,795
PT Kencana Mitra Lestari	Jakarta	Development, Transportation Trading and Services	--	100.00%	--	575,175,000	577,800,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Direct Power and Subsidiaries	Bogor	Trading, Real Estate, Industri, Printing, Agrobisnis, Transportation and Services	--	100.00%	2007	124,629,800,619	126,909,119,505
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Development, Industri, Mining, Agrobisnis, Transportation Trading and Services	--	80.00%	--	41,971,484,946	45,299,541,728
PT Bellanova Country Mall	Bogor	Development, Transportation Trading and Services	--	80.00%	2005	41,881,554,945	45,209,611,729
PT Sarana Global Multindo and Subsidiaries	Jakarta	Development, Transportation Trading and Services	--	100.00%	--	355,465,506,039	485,684,444,002
PT Guna Sejahtera Karya and Subsidiaries	Jakarta	Development, Industri, Agrobisnis, Pertamanan Trading and Services	--	100.00%	--	403,656,624,893	465,129,613,820
PT Citra Sentosa Raya and Subsidiaries	Jakarta	Trading, Real Estate, Industri, Agrobisnis, Transportation and Services	--	100.00%	--	516,676,784,304	527,058,699,489
PT Gading Nusa Utama	Jakarta	Trading, Development, Industri, Agrobisnis, Pertamanan and Services	--	100.00%	--	27,300,259,404	27,270,776,577
Rosenet Limited**** and Subsidiary	British Virgin Island	investment	--	100.00%	--	546,201,825,184	525,560,105,440
Sea Pejaten Pte. Ltd****	Singapore	investment	--	100.00%	--	546,201,825,184	525,560,105,440
Continental Investment Limited****	Malaysia	investment, Trading and Services	--	100.00%	--	25,916,625	24,193,711
PT Sandiego Hills Memorial Park and Subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	448,980,687,326	351,650,829,216
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	68,225,906,669	59,377,813,538
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	582,762,161	583,794,161
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,458,223,000	2,464,055,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services	--	100.00%	--	2,216,817,102	2,216,817,102
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Alona Griya Utama and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,673,963,537	100,000,000
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,748,962,537	100,000,000
PT Kreasi Ciptaprima Gemilang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Manikam Mutu Prima and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	674,251,000	100,000,000
PT Holland Village Manado [2])	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	--
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	71,000,000	99,250,000
PT Wismacahaya Sentosa Megah [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Ciptaindah Selaras Persada [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Asri Griya Utama [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Cakrawala Semesta Abadi [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sarana Sentosa Propertindo [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Bahana Megah Pratama and Subsidiary [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Bahana Perisai Abadi [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Cahaya Puspita Raya [2])	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Lippo Cikarang Tbk and Subsidiaries	Bekasi	Real Estate	--	54.37%	1989	4,309,824,234,265	3,854,166,345,344
PT Great Jakarta Inti Development and Subsidiary	Bekasi	Town Development Real Estate	--	54.37%	1992	166,167,908,743	160,134,706,695
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	18,106,103,848	17,194,774,785
PT Tunas Pundi Bumi	Bekasi	Town Development	--	54.37%	2010	220,879,340,910	49,149,564,954
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,675,274,843	23,233,649,196
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	574,166,188	391,859,371
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	8,905,263,816	8,623,542,996
PT Chandra Mulia Adhidharma	Bekasi	Property Management	--	54.37%	2011	47,947,330,121	35,311,717,468
PT Tirta Sari Nirmala	Bekasi	Water and Waste Treatment	--	54.37%	2011	70,243,590,666	51,532,656,579
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2011	504,659,575,649	314,382,012,670
PT Swadaya Teknopolis	Bekasi	Real Estate	--	54.37%	2009	250,000,000	250,000,000
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2009	147,982,000	127,000,000
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009	3,432,732,840	3,432,732,840
PT Cahaya Ina Permai and Subsidiaries	Bekasi	Real Estate	--	54.37%	--	85,140,741,861	434,884,740
PT Zeus Karya Prima [1])	Tangerang	Development, Trading, Printing and Services	--	54.37%	--	27,801,089,340	8,468,194,385
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	592,353,788	15,194,704,877
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	--	18,632,125,396	190,846,815
PT Mega Kreasi Teknika	Bekasi	Building Construction	--	54.37%	--	262,498,497	202,653,752
PT Astana Artha Mas	Tangerang	Real Estate	--	54.37%	--	132,773,308,048	66,158,812,500
PT Mega Kreasi Nusantara Teknologi	Bekasi	Real Estate	--	54.37%	--	3,000,000,000	3,000,000,000
PT Pondera Prima Sarana	Tangerang	Real Estate	--	54.37%	--	123,200,000	125,000,000
PT Telaga Banyu Murni and Subsidiary	Tangerang	Real Estate	--	54.37%	--	1,622,000,000	175,000,000
PT Karimata Alam Damai	Tangerang	Real Estate	--	54.37%	--	41,950,330,000	20,885,600,000
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	--	500,000,000	500,000,000
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	--	500,000,000	500,000,000
PT Megakreasi Cikarang Asri [2])	Bekasi	Real Estate	--	40.78%	--	33,000,800,000	--
PT Megakreasi Propertindo Utama [2])	Bekasi	Real Estate	--	40.78%	--	33,000,817,000	--
PT Megapratama Karya Persada and Subsidiaries	Tangerang	investment, Trading and Services	100.00%	--	--	5,041,931,170,285	4,205,570,228,813
PT Siloam International Hospitals Tbk and Subsidiaries	Tangerang	Healthcare Service	--	78.85%	2010	2,844,085,512,104	2,600,774,537,159
PT Aritasindo Permaisemesta	Jakarta	Trading, Development, Mining, Agriculture Land Transport, Printing and Industry	--	78.85%	--	78,124,746	91,222,500
PT Perdana Kencana Mandiri	Jakarta	Industry, Development, Trading, Land Transport, Workshops, Printing, Agriculture, Mining and Services	--	78.85%	--	520,403,206	139,940,484
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	78.85%	--	448,067,441	118,439,411
PT Nusa Medika Perkasa	Jakarta	Healthcare Service,	--	58.00%	--	926,687,462	898,583,214
PT Siloam Graha Utama and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	78.85%	--	142,511,589,460	170,926,169,055
PT East Jakarta Medika	Bekasi	Healthcare Service	--	68.43%	2002	142,492,350,947	170,919,068,042
PT Guchi Kencana Emas and Subsidiary	Jakarta	Development, and Services	--	78.83%	--	88,570,503,605	103,536,422,739

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Golden First Atlanta	Jambi	Healthcare Service	--	65.43%	2008	88,539,839,436	103,525,497,989
PT Prawira Tata Semesta and Subsidiary	Jakarta	Development, and Services	--	78.85%	--	237,404,060,017	220,387,041,953
PT Balikpapan Damai Husada	Balikpapan	Healthcare Service	--	62.77%	2007	198,183,010,595	183,152,322,686
PT Siloam Emergency Services	Tangerang	Healthcare Service	--	78.85%	--	2,624,415,127	1,391,968,353
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading Industry and Services	--	78.85%	2013	2,177,323,630	2,969,022,018
PT Pancawarna Semesta and Subsidiary	Tangerang	Trading, Industry and Services	--	78.85%	--	70,026,074,020	70,275,326,965
PT Diagram Healthcare Indonesia	Depok	Healthcare Service	--	63.08%	2006	39,467,645,852	39,716,721,868
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	78.85%	--	995,085,833	1,000,000,000
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	78.85%	--	605,403,333	600,000,000
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	78.85%	--	597,340,833	600,000,000
PT Kusuma Primaanda and Subsidiaries	Tangerang	Trading, Industry and Services	--	78.85%	--	102,195,707,668	102,376,903,302
PT Adijaya Buana Sakti and Subsidiaries	Tangerang	Trading, Industry and Services	--	63.08%	--	102,188,966,835	102,368,878,302
PT Siloam Sumsel Kemitraan and Subsidiary	Tangerang	Trading, Industry and Services	--	74.16%	--	8,003,625,337	7,997,550,337
PT RS Siloam Hospital Sumsel	Palembang	Services Service	--	67.51%	2012	103,163,599,553	102,356,656,020
PT Optimum Karya Persada	Jakarta	Trading Industry and Services	--	78.85%	--	1,017,232,500	1,000,000,000
PT Rosela Indah Cipta	Jakarta	Trading Industry and Services	--	78.85%	--	597,153,333	600,000,000
PT Sembada Karya Megah	Tangerang	Trading Industry and Services	--	78.85%	--	617,340,833	600,000,000
PT Trijaya Makmur Bersama	Tangerang	Trading Industry and Services	--	78.85%	--	597,340,833	600,000,000
PT Visindo Galaxi Jaya	Tangerang	Trading Industry and Services	--	78.85%	--	4,993,540,833	5,000,000,000
PT Tunggal Pilar Perkasa and Subsidiaries [1])	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	902,863,440,805	406,737,757,798
PT Tirtasari Kencana	Serang	Development, Trading and Services	--	78.85%	--	1,130,696,718	1,000,000,000
PT Gramari Prima Nusa	Medan	Development, Trading, Printing and Services	--	78.85%	--	130,585,488,531	5,000,000,000
PT Krisolis Jaya Mandiri	Kupang	Services Service	--	78.85%	--	69,331,687,626	600,000,000
PT Kusuma Bhakti Anugerah	Tangerang	Trading Industry and Services	--	78.85%	--	7,199,648,894	7,000,000,000
PT Agung Cipta Raya	Tangerang	Services Service	--	78.85%	--	972,630,000	1,000,000,000
PT Bina Cipta Semesta	Padang	Services Service	--	78.85%	--	1,012,427,500	1,000,000,000
PT Mega Buana Bhakti	Pangkal Pinang	Trading Industry and Services	--	78.85%	--	5,982,333,520	6,000,000,000
PT Taruna Perkasa Megah	Yogyakarta	Trading Industry and Services	--	78.85%	--	19,014,504,078	600,000,000
PT Tataka Bumi Karya	Bogor	Trading Industry and Services	--	78.85%	--	610,452,500	600,000,000
PT Tataka Karya Indah	Bandung	Trading Industry and Services	--	78.85%	--	837,254,382	600,000,000
PT Siloam Medika Cemerlang [1])	Tangerang	Trading, Industry, and Services	--	78.85%	--	3,388,608,668	600,000,000
PT Koridor Usaha Maju and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	432,931,118,607	354,600,057,124
PT Medika Sarana Traliansia and Subsidiary	Bali	Development, Trading, Printing and Services	--	78.85%	2008	256,054,381,752	203,638,402,814

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Trisaka Raksa Waluya	Tangerang	Special Healthcare Services and Services	--	78.85%	2008	132,992,756,044	142,522,915,190
PT Buana Utama Sejati [2])	Tangerang	Services Service	--	78.85%		16,312,100,196	--
PT Sentra Sejahtera Utama[2])	Tangerang	Services Service	--	78.85%	--	600,000,000	--
PT Berlian Cahaya Indah	Sorong	Services Service	--	78.85%		45,004,044,700	600,000,000
PT Rashal Siar Cakra Medika	Jakarta	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	2008	53,352,264,266	--
PT Mulia Pratama Cemerlang [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	2014	600,000,000	--
PT Karya Pesona Cemerlang [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Indah Kemilau Abadi [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Persada Dunia Semesta [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Inti Pratama Medika [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Sentra Sehat Sejahtera [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Genta Raya Internusa [2])	Tangerang	Trading, Development, Real Estate, Industri Printing, Agrobisnis, Services and Transportation	--	78.85%	--	600,000,000	--
PT Sembilan Raksa Dinamika*)	Tangerang	Hospital Service Clinic, Policlinic and Treatment Clinic	--	99.99%	--	600,000,000	--
PT Saritama Mandiri Zamrud*)	Tangerang	Hospital Service Clinic, Policlinic and Treatment Clinic	--	99.99%	--	600,000,000	--
PT Gempita Nusa Sejahtera*)	Tangerang	Hospital Service Clinic, Policlinic and Treatment Clinic	--	99.99%	--	600,000,000	--
PT Aryamedika Teguh Tunggal*)	Tangerang	Hospital Service Clinic, Policlinic and Treatment Clinic	--	99.99%	--	600,000,000	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Mahkota Buana Selaras [1])	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	38,623,709,806	--
PT Eramulia Pratamajaya and Subsidiaries	Jakarta	Healthcare Service	100.00%	--	--	1,075,613,293,094	1,109,729,536,202
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	381,154,412,415	389,561,096,776
PT Siloam Dinamika Perkasa	Jakarta	Trading, Development, Transportation and Services	--	100.00%	--	135,440,651,110	135,181,471,073
PT Siloam Sarana Karya	Jakarta	Healthcare Service	--	100.00%	2005	3,239,776,633	3,239,776,633
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	3,365,647,721	3,365,841,316
PT Sentra Sarana Karya [2])	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	3,239,776,633	3,239,776,633
PT Sarana Dinamika Perkasa [2])	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	135,684,650,111	135,425,470,074
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	7,397,737,370	7,396,814,370
PT Buana Mandiri Selaras	Jakarta	Development and Services	--	100.00%	--	489,542,770,676	570,947,396,533
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining		100.00%	--	19,805,000	19,805,000
PT Kalanusa Intan Cemerlang and Subsidiary	Tangerang	Trading Development Printing and Services	--	100.00%	--	4,259,900,000	100,000,000
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000
PT Cahaya Jaya Raya [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Waluya Graha Loka [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Nusantara Indah Semesta [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Magenta Sinar Abadi [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Pesona Puspita Gemilang [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Caraka Cipta Sejahtera [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentra Mutiara Timur [2])	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Abadi Jaya Sakti and Subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	577,031,300
PT Tigamitra Ekamulia and Subsidiaries	Jakarta	Umum	0.01%	99.99%	1998*	520,920	520,920
PT Shimatama Graha	Jakarta	Restaurant, Cafe and Catering	--	100.00%	1989	5,841,821,996	5,841,821,996
PT Aryaduta International Management and Subsidiaries	Jakarta	Hotel Management	--	100.00%	1998	13,376,094,582	13,376,094,582
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	588,906,447	588,906,447
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	588,878,000	588,878,000
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	22,947,378,366	22,947,378,366
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	593,327,000	593,327,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	3,156,413,733	3,156,413,733
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	581,740,500	581,740,500
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Lippo Hotel Indonesia and Subsidiaries [1])	Tangerang	Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Aryaduta Kuta Bali [1])	Badung	Pariwisata	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Gemerlap Abadi [2])	Tangerang	Development, Trading, and Services	--	100.00%	--	600,000,000	--
PT Lippo Horesi Indonesia [1])	Tangerang	Development, Trading, and Services	75.00%	25.00%	--	600,000,000	600,000,000

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets 2014 Rp	Total Assets 2013 Rp
PT Graha Jaya Pratama and Subsidiaries	Tangerang	Real Estate	100.00%	--		1,596,229,076,687	1,384,584,802,841
PT Tataguna Cemerlang	Jakarta	Trading, Real Estate and Development	--	100.00%	--	100,000,000	100,000,000
PT Aresta Amanda Lestari (0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	1,048,135,730	1,048,135,730
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	11,737,065,174	11,737,065,174
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	15,697,407,503	15,697,407,503
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	15,206,784,862	15,206,784,862
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	11,448,214,800	11,448,214,800
PT Nuansa Indah Lestari and Subsidiaries	Jakarta	Trading	--	100.00%	--	142,252,148,482	142,252,148,482
PT Metropolitan Permaisemesta and Subsidiaries	Jakarta	Trading	--	89.74%	--	142,233,500,582	142,233,500,582
PT Mulia Sarana Sakti	Makassar	Trading	--	100.00%	--	512,000,000	512,000,000
PT Makassar Permata Sulawesi (32.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	89.74%	--	138,073,158,204	138,073,158,204
PT Gowa Makasar Tourism Development Tbk and Subsidiaries	Makassar	Real Estate	4.92%	52.36%	1997	1,524,317,216,546	1,308,035,825,444
PT Kenanga Elok Asri and Subsidiaries	Tangerang	Development, Trading, Printing and Services		57.28%	--	580,527,450,840	485,143,495,390
PT Krisanta Esa Maju ¹)	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	99,849,158	100,000,000
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	77,56%	--	578,018,813,753	485,093,495,390
PT Griya Megah Sentosa	Makassar	Trading, Development, Printing and Services	--	57.28%		2,389,906,938	--
PT Griya Eksotika Utama	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	193,879,903	125,000,000

* *Liquidated*
** *Transferred*
*** *Functional Currency is USD*
**** *Functional Currency is SGD*
¹) *Established in 2013*
²) *Established in 2014*

On January 28, 2013, PT Primakreasi Propertindo (PKP), a subsidiary, acquired all ownership in PT Graha Dana Dinamika (GDD) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp60,000,000. At the acquisition date, GDD has not yet started operation and therefore, recorded as an asset acquisition.

On January 28, 2013, PKP, a subsidiary, acquired all ownership in PT Mulia Aditama Setia (MAS) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, MAS has not yet started operation and therefore, recorded as an asset acquisition.

On January 28, 2013, PKP, a subsidiary, acquired all ownership in PT Mega Pratama Serasi (MPS) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp60,000,000. At the acquisition date, MPS has not yet started operation and therefore, recorded as an asset acquisition.

On February 15 , 2013, PT Sentra Dwimandiri (SDM), PT Wisma Jatim Propertindo (WJP), PT Bathara Brahma Sakti, PT Kreasi Megatama Gemilang, PT Dwisindo Jaya, PT Saputra Karya, PT Grand Provita, PT Kemang Paragon Mall, PT Grand Villa Persada, PT Maharama Sakti and PT Primakreasi Propertindo, all subsidiaries, purchase non controlling shares of PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, amounted to 3,35% with acquisition cost of Rp2.584.000.000. As a result, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp5.645.114.201.

On February 21, 2013, PT Abadi Jaya Sakti (AJS), a subsidiary, acquired all ownership in PT Zodia Karya Indah (ZKI) (through 75% direct ownership and 25% indirect ownership of PT Tigamitra Ekamulia), with acquisition cost of Rp100,000,000. At the acquisition date, ZKI has not yet started operation and therefore, recorded as an asset acquisition.

On March 6, 2013, PKP, a subsidiary, acquired all ownership in PT Pradamas Graha Indah (PGI) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, PGI has not yet started operation and therefore, recorded as an asset acquisition.

On March 19, 2013 the entire ownership in Lippo Karawaci Finance B. V., a subsidiary, has been transferred at a value EUR 5,000 (equivalent Rp181,440,000), in cash. Upon this transfer, the Company recorded Rp1,179,564,312 gain on disposal of investment and the subsidiary transferred cash and bank, other assets and liabilities amounting to Rp1,355,465,890, Rp185,370,484 and Rp559,225,317, respectively.

On March 23, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, acquired all ownership in PT Cahaya Ina Permai (CIP) (through 75% direct ownership and 25% indirect ownership of PT Great Jakarta Inti Development (GJID)), with acquisition cost of Rp15,000,000. At the acquisition date, CIP has not yet started operation and therefore, recorded as an asset acquisition.

On March 23, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, acquired all ownership in PT Mahkota Sentosa Ekanusa (MSE) (through 75% direct ownership and 25% indirect ownership of PT Great Jakarta Inti Development), with acquisition cost of Rp20,000,000. At the acquisition date, MSE has not yet started operation and therefore, recorded as an asset acquisition.

On March 26, 2013, all ownership in Great Capital Pte Ltd (GC), a subsidiary, has been transferred at a value of SGD 93,100,000 (equivalent to Rp722,167,700,000) of which USD 43,100,000 (equivalent to Rp 334,326,700,000) in cash and USD 50,000,000 (equivalent to Rp387,850,000,000) in units of First REIT. GC is the owner of 100% shares at Key Capital Pte Ltd and PT Perisai Dunia Sejatera, respectively. On the transfer, the entity recorded a gain on disposal of investment amounting to Rp 22,349,514,483 and it transfered property and equipment, cash and bank, other assets and liabilities amounted to Rp700,000,000,000, Rp1,807,874,373, Rp13,850,000 and Rp705,584,877,272, respectively.

On April 12, 2013, PKP, a subsidiary, acquired all ownership in PT Sultana Semesta Prima (SSP) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SSP has not yet started operation and therefore, recorded as an asset acquisition.

On April 15, 2013, PT Nuansa Indah Lestari, a subsidiary, acquired all ownership in PT Mulia Sarana Sakti (MSS) (through 0.01% direct ownership and 99.99% indirect ownership of PT Metropolitan Permai Semesta), with acquisition cost of Rp512,000,000. At the acquisition date, MSS has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, GMTD, a subsidiary, acquired all ownership Kenanga Elok Asri (KEA) (through 99.99% direct ownership and 0.01% indirect ownership of PT Fajar Usaha Semesta (FUS)), with acquisition cost of Rp100,000,000. At the acquisition date, KEA has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Alona Griya Utama (AGU) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, AGU has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, PKP, a subsidiary, acquired all ownership in PT Bumi Aurum Sejahtera (BAS) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BAS has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Cipta Semesta Prima (CSP) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, CSP has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Kreasi Ciptaprima Gemilang (KCG) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, KCG has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, GJP, a subsidiary, acquired all ownership in PT Griya Eksotika Utama (GEU) (through 99.99% indirect ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) and 0.01% indirect ownership of PT Fajar Usaha Semesta), with acquisition cost of Rp100,000,000. At the acquisition date, GEU has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Manikam Mutu Prima (MMP) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, MMP has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Suporta Developa Jaya (SDJ) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, SDJ has not yet started operation and therefore, recorded as an asset acquisition.

On April 29, 2013, PKP, a subsidiary, acquired all ownership in PT Satyagraha Dinamika Unggul (SDU) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SDU has not yet started operation and therefore, recorded as an asset acquisition.

On May 6, 2013, PKP, a subsidiary, acquired all ownership in PT Tribuana Jaya Raya (TJR) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, TJR has not yet started operation and therefore, recorded as an asset acquisition. On June 12, 2013, ownership of PKP was transferred to PT Graha Jaya Pratama (GJP) through 25% direct ownership and 75% indirect ownership of PT Kenanga Elok Asri.

On May 21, 2013, PKP, a subsidiary, acquired all ownership in PT Jayadipta Utama Makmur (JUM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, JUM has not yet started operation and therefore, recorded as an asset acquisition.

On May 21, 2013, PKP, a subsidiary, acquired all ownership in PT Andalan Utama Maju (AUM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, AUM has not yet started operation and therefore, recorded as an asset acquisition.

On May 24, 2013, PKP, a subsidiary, acquired all ownership in PT Mentari Adi Perkasa (MAP) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp1,000,000,000. At the acquisition date, MAP has not yet started operation and therefore, recorded as an asset acquisition.

On June 5, 2013, PKP, a subsidiary, acquired all ownership in PT Wijayakusuma Sukses Maju (WSM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, WSM has not yet started operation and therefore, recorded as an asset acquisition.

On June 10, 2013, PKP, a subsidiary, acquired all ownership in PT Bumi Sindang Jaya (BSJ) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BSJ has not yet started operation and therefore, recorded as an asset acquisition.

On June 14, 2013, PKP, a subsidiary, acquired all ownership in PT Berdikari Jaya Abadi (BJA) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BJA has not yet started operation and therefore, recorded as an asset acquisition.

On June 17, 2013, PKP, a subsidiary, acquired all ownership in PT Mentari Panen Raya (MPR) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, MPR has not yet started operation and therefore, recorded as an asset acquisition.

On June 19, 2013, LC, a subsidiary, acquired all ownership in PT Zeus Karya Prima (ZKP) (through 75% indirect ownership of CIP and 25% indirect ownership of MSE), with acquisition cost of Rp100,000,000. At the acquisition date, ZKP has not yet started operation and therefore, recorded as an asset acquisition.

On July 1, 2013, CIP, a subsidiary, acquired all ownership in PT Astana Artha Mas (AAM) (through 75% direct ownership and 25% direct ownership of MSE), with acquisition cost of Rp100,000,000. At the acquisition date, AAM has not yet started operation and therefore, recorded as an asset acquisition.

On July 19, 2013, GJP, a subsidiary, acquired all ownership in PT Krisanta Esa Maju (KEM) (through 75% indirect ownership of KEA and 25% indirect ownership of GEU), with acquisition cost of Rp100,000,000. At the acquisition date, KEM has not yet started operation and therefore, recorded as an asset acquisition.

On August 22, 2013, LC, a subsidiary, acquired all ownership in PT Pondera Prima Sarana (PPS) (through 75% direct ownership and 25% indirect ownership of GJID), with acquisition cost of Rp100,000,000. At the acquisition date, PPS has not yet started operation and therefore, recorded as an asset acquisition.

On August 22, 2013, LC, a subsidiary, acquired all ownership in PT Telaga Banyu Murni (TBM) (through 75% direct ownership and 25% indirect ownership of GJID), with acquisition cost of Rp100,000,000. At the acquisition date, TBM has not yet started operation and therefore, recorded as an asset acquisition.

On August 23, 2013, LC, a subsidiary, acquired all ownership in PT Karimata Alam Damai (KAD) (through 75% indirect ownership of TBM and 25% indirect ownership of PPS), with acquisition cost of Rp100,000,000. At the acquisition date, KAD has not yet started operation and therefore, recorded as an asset acquisition.

On September 2, 2013, PT Nilam Biru Bersinar, a subsidiary, disposed share ownership in SIH, a susbsidiary, amounting to 5.900.000 shares with the transfer price of Rp53.100.000.000. Upon this transactions, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp51,469,368,683.

On October 9, 2013, PKP, a subsidiary, acquired all ownership in PT Multi Panen Utama (MPU) (through 25% indirect ownership of MCG and 75% indirect ownership of GHE), with acquisition cost of Rp100,000,000. At the acquisition date, MPU has not yet started operation and therefore, recorded as an asset acquisition. On October 24, 2013, ownership of MPU was transferred to PKP through 75% direct ownership and 25% indirect ownership of GVP.

On October 11, 2013, PKP, a subsidiary, acquired all ownership in PT Dwi Prabu Sakti (DPS) (through 0.01% indirect ownership and 99.99% indirect ownership of PT Lumbung Mas Trijaya), with acquisition cost of Rp100,000,000. At the acquisition date, DPS has not yet started operation and therefore, recorded as an asset acquisition.

On October 23, 2013, PKP, a subsidiary, acquired all ownership in PT Pancuran Intan Makmur (PIM) (through 75% indirect ownership and 25% indirect ownership of GVP), with acquisition cost of Rp 100,000,000. At the acquisition date, PIM has not yet started operation and therefore, recorded as an asset acquisition.

On October 24, 2013, PKP, a subsidiary, acquired all ownership in PT Solusi Dunia Baru (SDB) (through 75% indirect ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SDB has not yet started operation and therefore, recorded as an asset acquisition.

On December 6, 2013, PT Tunggal Pilar Perkasa (TPP) and PT Mandiri Buana Selaras (MBS), subsidiaries, acquired 75% and 25% ownership in PT Gramari Prima Nusa (GPN), with acquisition cost of Rp750,000,000 and Rp250,000,000, respectively. At the acquisition date, GPN has not yet started operation and therefore, recorded as an asset acquisition.

On December 13, 2013, KUM, a subsidiary, acquired all ownership in PT Medika Sarana Tralliansia (MST) with acquisition cost of Rp189,600,000,000. This transaction is a business combination (see Note 44). MST has been started its commercial operation since 2008. MST is the owner of 99.99% shares of PT Trisaka Raksa Waluya (TRW). TRW has been started its commercial operation since 2008.

On December 19, 2013, LMT and DPS, both subsidiaries, acquired all ownership in PT Karyatama Buana Cemerlang (KBC) with acquisition cost of Rp150,878,244,393. At the acquisition date, KBC has not yet started operation and therefore, recorded as an asset acquisition. KBC is the owner of 70.00% shares of PT Mapalus Mancacakti (MM). At the acquisition date, MM has not yet started operation.

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, disposed 82,500,000 shares ownership in SIH, a subsidiary, at Rp858,000,000,000. Upon the disposal, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp741,092,494,948.

On May 12, 2014, WJP, a subsidiary, acquired all ownership in PT Anugerah Bahagia Abadi (ABA) (through 99.99% direct ownership and 0.01% indirect ownership of MS), with acquisition cost of Rp549,686,500,000. This transaction is a business combination (see Note 45).

On May 19, 2014, PKP, a subsidiary, acquired all ownership in PT Andromeda Sakti (AS) (through 99.83% direct ownership and 0.17% indirect ownership of GVP) with acquisition cost of Rp600,000,000. At the acquisition date, AS has not yet started operation and therefore, recorded as an asset acquisition.

On July 23, 2014, TPP and MBS, subsidiaries, acquired 75% and 25% ownership in PT Rashal Siar Cakra Medika (RSCM), with acquisition cost of Rp78,540,426,657 and Rp26,180,142,219, respectively. This transaction is a business combination (see Note 45). RSCM has started its commercial operation since 2008.

On November 28, 2014, TPP, a subsidiary, acquired 20% share ownership in MST from Steer Clear Limited with acquisition cost of Rp45,030,000,000. TPP recorded Difference in Transactions with Non-Controlling Interest amounted to Rp25,748,354,393.

On December 20, 2014, PT Manunggal Bumi Sejahtera and PT Sentra Realtindo Development, subsidiaries, acquired all ownership in PT Asiatic Sejahtera Finance (ASF), with acquisition cost of Rp80,000,000,000. This transaction is a business combination (see Note 45). ASF has started its commercial operation since July 2009.

1.d. Board of Commissioners, Directors, Audit Committee and Employees

Based on Deed of Extraordinary General Meeting of Stockholders No. 10 dated April 23, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang and the Deed of Extraordinary General Meeting of Stockholders No. 48 dated April 24, 2013 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang, the composition of the Board of Commissioners and Directors as of December 31, 2014 and 2013 are as follows:

	2014	2013
Board of Commissioners:		
President Commissioner	: Theo L. Sambuaga	Theo L. Sambuaga
Vice President Commissioner	: Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	: Tanri Abeng	Tanri Abeng
Independent Commissioner	: Agum Gumelar	Agum Gumelar
Independent Commissioner	: Farid Harianto	Farid Harianto
Independent Commissioner	: Muladi	Jonathan Limbong Parapak
Independent Commissioner	: Sutiyoso	Muladi
Commissioner	: Gouw Viven (Viven G Sitiabudi)	Gouw Viven (Viven G Sitiabudi)
Commissioner	: Benny Haryanto Djie	--

* *also as Independent Commissioner*

The composition of the Directors as of December 31, 2014 and 2013 are as follows:

	2014	2013
Directors:		
President Director	: Ketut Budi Wijaya	Ketut Budi Wijaya
Director	: Tjokro Libianto	Tjokro Libianto
Director	: Djoko Harjono*	Djoko Harjono
Director	: Rahmawaty	Roberto Fernandez Feliciano
Director	: Stephen Choo Kooi Yoon	Rahmawaty
Director	: Ninik Prajitno	--
Unaffiliated Director	: Jenny Kuistono	Jenny Kuistono

* *Effective resign on September 15, 2014 as reported to OJK based on letter No. 117/LK-COS/VIII/2014 dated August 14, 2014*

The Audit Committee composition as of December 31, 2014 and 2013 are as follows:

	2014	2013
Chairman	: Muladi	Farid Harianto
Members	: Herbudianto	Herbudianto
	: Indra Simarta	Indra Simarta

The Company's Corporate Secretary as of December 31, 2014 and 2013 is Jenny Kuistono.

As of December 31, 2014 and 2013, the Group have 11,129 and 6,168 permanent employees, respectively (unaudited).

2. Summary of Significant Accounting Policies

2.a. Compliance with Financial Accounting Standards (SAK), Measurement and Preparation of Consolidated Financial Statements

The Group's consolidated financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards which include the Statements and the Interpretations issued by Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI) and Regulation of Capital Market Supervisory Agency and Financial Institution No. VIII.G.7 regarding the "Guidance of Financial Statements Presentation" as set forth in Decree No. KEP-347/BL/2012 regarding the amendment to Regulation No. VIII.G.7 and other accounting policies prevailing in the Capital Market.

The consolidated financial statements have been prepared on the going concern assumption and on the accrual basis, except for the consolidated statements of cash flows which used the cash basis. The basis of measurement in the preparation of these consolidated financial statements is the historical cost principle, except for certain accounts that were measured using other basis, as described in the respective accounting policy.

The consolidated statements of cash flows are presented by classifying the activities into operating, investing and financing. The cash flows from operating activities were prepared using the direct method.

Functional currency of the Group is Rupiah, except for some subsidiaries as disclosed in Note 1.c. Transactions are recorded using the functional currency. The reporting currency used in the preparation of these consolidated financial statements is Rupiah.

Interpretations of financial accounting standard (ISAK) that mandatory for the first time for the financial period beginning 1 January 2014 is ISAK No. 27 “Transfer of Assets from Customers” and ISAK No. 28 “Extinguishing of Financial Liabilities with Equity Instruments”.

Implementation of ISAK No. 27, “Transfer of Assets from Customers” and ISAK No. 28 “Extinguishing of Financial Liabilities with Equity Instruments” with an effective date of 1 January 2014 is not relevant, and did not result in changes to the Company's accounting policies and had no impact on the amounts reported for the current year or prior financial years.

2.b. Principles of Consolidation

The consolidated financial statements include the accounts of the Group either directly or indirectly controlled as presented in Note 1.c.

Control also exists when the parent entity owns half or less of the voting power of an entity when there is:

a. power over more than half of the voting rights by virtue of an agreement with other investors;
b. power to govern the financial and operating policies of the entity under a statute or an agreement;
c. power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
d. power to cast the majority of votes in the meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The existence and effect of potential voting rights that can be implemented or converted on the date of the reporting period should be considered when assessing whether an entity has the power to govern financial and operating policies of another entity.

The entities are consolidated from the date on which effective control was transferred to the Company and are no longer consolidated when the Company ceases to have effective control. Control exists when the entity has the power to govern the financial and operating policies of the entity and get benefits from the activities of the said entity.

The consolidated financial statements have been prepared on the basis of entity concept. All significant related intercompany accounts, transactions and profits among the consolidated companies have been eliminated to reflect the financial position and result of operations as a whole entity.

The changes in the Group’s ownership interest that do not result to a loss of control are accounted for as equity transactions and attributed to the owners of the parent. All major transactions and inter-company account balances (including significant unrealized gain or loss) has been eliminated.

Non-controlling interest reflects equity in net earnings or losses and net assets of Subsidiaries which are not directly or indirectly attributable to parent company, and is presented under consolidated statement of comprehensive income and equity in the consolidated statement of financial position, separated from portion which are attributable to parent company.

2.c. Foreign Currency Transactions and Translation of Consolidated Financial Statements

Foreign currency is a currency other than the functional currency. Transactions involving foreign currencies are recorded at the exchange rates prevailing at the time the transactions are made.

At the reporting date, monetary assets and liabilities denominated in foreign currencies were adjusted to reflect the exchange rates prevailing at the time, with the following conversion rates:

	2014 Rp	2013 Rp
1 USD	12,440	12,189
1 SGD	9,422	9,628
1 EUR	15,133	16,821
100 JPY	10,425	11,617
1 AUD	10,218	10,876

Gains and losses from foreign exchange differences arising from foreign currency transactions into Rupiah, charged to profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of transaction. Non-monetary ithems that are measured at fair value in a foreign currency shall be translated using the exchange rate when the fair value was determined.

The financial statements of subsidiaries which presented in currency other than Rupiah were translated into Rupiah using closing rate at reporting date for assets and liabilities accounts and the average rate during the year for income and expense accounts. All differences resulting from the translations were recognized as part of other comprehensive income.

2.d. Cash and Cash Equivalents

Cash consists of cash on hand and cash in bank that can be withdrawn at any time, no pledged as collateral and no restrictions on use.

Cash equivalents consist of time deposits with maturities of not more than or equal to three (3) months from the date of placement, are not restricted and not used as collateral to any liabilities.

2.e. Investment in Associates

An associate is an entity in which the investor (i.e., the Company or subsidiary, which acts as an investor) has a significant influence to participate in decision making on financial and operational policies of the investee, but does not control or jointly control those policies. Significant influence is presumed to exist if the investor owns 20% or more of the voting rights of the investee, either directly or indirectly.

Investment in associates are initially recognized at cost. The carrying amount is increased or decreased by the share in the profit or loss of the investee after the date of acquisition in proportion with the percentage of ownership and reduced by dividends received (equity method).

The carrying amount is also adjusted if there is a change in the investor's proportionate interest in the investee arising from the investee's other comprehensive income. Those changes are recognized in other comprehensive income of the investor.

2.f. Transaction with Related Parties

In a normal business transaction, the Group has transactions with related parties. Related party is the person or entity that is related to the Group (referred to as the “reporting entity”), which includes:

(a) A person or a close member of that person’s family is related to a reporting entity if that person:
- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of following conditions applies:
- (i) The entity and the reporting entity 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 a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (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 a parent of the entity).

2.g. Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping center, residential houses, shophouses, office buildings, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest and other financing charges obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

Inventories of healthcare business (e.g., medicines, medical supplies and others) are carried at the lower of cost and NRV. Cost is determined by using the average method. Allowance for decline in inventory value is provided based on a review of inventory status at the end of year.

Inventories of hospitality business (e.g., food, beverages and others) are carried at the lower of cost and ret realizable value. Cost is determined by using the first-in-first-out method (FIFO). Allowance for decline in inventory value is provided based on a review of inventory status at the end of year.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. In determining obsolete inventory, Group review regularly of each significant unit inventory individually and when obtained reliable evidence, Group will reduce the value of inventories to realizable value

Allowance for inventories using determined based on a review of the condition of the inventories at the end of the year.

Land for development which are owned by the Group is classified as “Land for Development”. Upon the commencement of development and construction of infrastructure, the carrying cost of land under development will be transferred to the respective real estate inventories or property and equipment accounts, whichever is appropriate.

2.h. Prepaid Expenses

Prepaid expenses are amortized over the period benefitted using straight line method.

2.i. Investment Property

Investment property is owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is carried at cost less its accumulated depreciation and any accumulated impairment losses. Land is not depreciated and is presented at acquisition cost. Building is depreciated using straight line method based on its estimated useful life of 20 years. The cost of repairs and maintenance is charged to the consolidated statements of comprehensive income as incurred while significant renovations and additions are capitalized.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in operation in the period derecognition or disposal.

Transfer to investment properties when, and only when, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development. Transfer from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

For a transfer from investment property to property that is used alone, the Group uses the cost method at the date of change in use. If the property is used by the Company to investment property, the Group recorded such investment properties in accordance with the policy of property and equipment up to the date of change in use.

2.j. Property and Equipment

Property and equipment in initial recognition is measured at cost.

Property and equipment after initial recognition is accounted using cost model. Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Land is not depreciated and carried at cost less with accumulated impairment in losses, if any.

Depreciation is computed by using the straight line method based on the estimated useful lives of the assets as follows:

	Year
Building, Infrastructure, and Renovations	4 - 40
Parks and Interiors	5
Golf Course and Club House	20
Transportation Equipment and Vehicles	4 - 8
Furniture, Fixtures and Office Equipment	3 - 10
Tools and Medical Equipment	3 - 10
Machinery and Project Equipment	3 - 10
Bowling Machinery	10
Playground Areas	5

The cost of repairs and maintenance is charged to operation as incurred while significant renovations and additions are capitalized. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of comprehensive income for the year.

Construction in progress represents expenditures incurred directly to infrastructure development and property and equipment preparation. Expenditures include borrowing cost on loan used for developing assets during the construction period. Construction in progress is transferred to the appropriate property and equipment account when the construction is completed and ready for its intended use.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized.

At the end of each financial year, residual values, useful lives and methods of depreciation are reviewed, and if appropriate, adjusted prospectively.

2.k. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Leases that transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased item are classified as finance leases. Leases which do not transfer substantially all of the risks and rewards incidental to ownership of the leased item are classified as operating leases.

<u>The Group as lessees:</u>
At the commencement of the lease term under finance lease, the Group recognized assets and liabilities in their statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is practical to determine, if not, the lessee's incremental borrowing rate is used. Initial direct cost of the lessee are added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Group recognizes lease payments as an expense on a straight-line basis over the lease term.

<u>The Group as lessors:</u>
The Group is required to recognize assets held under a finance lease in their statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Lease payments received are treated as repayments of principal and finance lease income. The recognition of finance lease income is based on a pattern that reflecting a constant periodic rate of return on the net investments of the Group as lessor in the finance lease.

The Group is required to present assets subject to operating leases in their statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as operating rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.

Sale and Leaseback:
A sale and leaseback transaction involves the sale of an asset and leasing back the same asset. If a sale and leaseback transaction is a finance lease, any excess of sales proceeds over the carrying value is not immediately recognized as income in the financial statements of a seller (lessee) but is deferred and amortized over the lease period.

If a sale and leaseback transaction is an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. If the sales price is below fair value, any profit or loss is recognized immediately except if the loss is compensated by future lease payments below market price where it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sales price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

2.l. Borrowing Cost

Borrowing costs incurred on loan and debt obtained to finance the acquisition and development of land and building construction are capitalized to the respective real estate inventories. This cost include interest expense calculated using the effective interest method and foreign exchange differences that they are regarded as an adjustment to interest cost. Capitalization ceases upon completion of all activities related to the acquisition and development of land, or upon completion of the construction and when the assets are ready for their intended use.

2.m. Impairment of Non-Financial Assets

Recoverable amount of non financial assets shall be estimated whenever events and changes of circumstances indicate that the carrying value may not be recoverable. Impairment of non-financial asset is recognized as loss for the year.

Impairment loss been recognized in prior periods is reversed, if and if only, there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. This increase is a reversal of an impairment loss. Total assets increased due to the reversal of an impairment loss, should not exceed the carrying amount if the asset does not experience an impairment loss in the previous period.

2.n. Business Combination

The Company accounts for each business combination by applying the acquisition method (includes measurement of non-controlling interest).

The consideration transferred for an acquisition is measured at the aggregate of the fair values of assets given-up, liabilities assumed and equity instruments issued by the Company. Acquisition-related costs are recognized in the profit or loss as incurred.

The Group recognizes the identifiable assets acquired and liabilities taken over at their fair value on acquisition date, except for the following:

- Deferred tax assets or liabilities that are related to assets acquired and liabilities taken over in business combination are recognized and measured in accordance with PSAK No. 46 (Revised 2010), “Income Taxes”.
- Liabilities (or assets, if any) related to employee benefit arrangement from the acquiree are recognized and measured in accordance with PSAK No. 24 (Revised 2010), “Employee Benefits”.
- Liabilities or equity instruments related to the replacement of an acquiree’s share-based payment awards are measured in accordance with PSAK No. 53 (Revised 2010), “Share-based Payment”.
- Non-current assets (or disposal groups) acquired which classified as held for sale are measured in accordance with PSAK No. 58 (Revised 2009), “Non-current Assets Held for Sale and Discontinued Operations”.

2.o. Intangible Assets

Goodwill

Goodwill arising in a business combination is recognized as an asset on the date that the control is acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities taken over.

Goodwill is not amortized but is reviewed for impairment at least annually or more frequently when there is an indication that the goodwill may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in the subsequent year.

The negative goodwill that resulted from bargain purchases is recognized as gain in profit or loss. The gain is attributed to the acquirer.

If goodwill has been allocated to a cash-generating unit and certain operations on the cash-generating unit is stopped, the goodwill associated with discontinued operations are included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill removed is measured based on the relative value of discontinued operations and share of the cash-generating unit retained.

Cost of Software

Software costs are initially recognized at cost or amounts attributable to these assets in the first one recognized.

Acquisition cost of accounting software is deferred and amortized using the straight line method based on the estimated of economic useful life of five (5) years.

2.p. Bond Issuance Cost

Bond issued is classified into the category of financial liabilities measured at amortized cost (see Note 2.x). Therefore, bond issuance cost is deducted directly from the proceeds of the bonds. The difference between the net proceeds and the nominal value represents premium or discount which is amortized over the term of the bonds using the effective interest rate method.

2.q. Employee Benefits

The Group recognizes provisions for post-employment benefits in accordance with Labor Law No. 13/2003 and PSAK No. 24 (Revised 2010) "Employee Benefits". No funding is provided for this plan.

Short-term employee benefits

Short-term employee benefits are recognized at an undiscounted amount when employees have rendered their services to the Group during the accounting period.

Post-employment Benefits

Post-employment benefits are recognized at discounted amount when the employees have rendered their service to the Company during the accounting period. Liabilities and expenses are measured using actuarial techniques which include constructive obligation that arises from the Group's common practices.
In calculating liabilities, the benefit must be discounted using the projected unit credit method. Past service cost recognized in profit or loss when the benefit become vested and recognized as expense with straight-line method for the average period of vested benefit. Accumulated unrecognized actuarial gain

and loss that are more than 10% of the present value of defined benefit obligations are amortized using the straight line method over the remaining projected average service period of employees in the programme.

2.r. Business Combination between Entities Under Common Control

Business transaction between entities under common control, such as transfers of assets, liabilities, shares or other ownership instruments by re-organizing entities within the same group, do not represent changes of ownership in terms of economic substance, and thus, should not result in a gain or loss for the group of companies as a whole or for the individual entity in the groups.

Since restructuring transactions with entities under common control do not result in changes in term of economic substance of ownership in transferred assets, liabilities or other ownership instruments, the transferred assets or liabilities (in legal form) should be recorded at book value in a manner similar to business combination transactions using the pooling of interest method.

The difference between transfer price and book value does not represent goodwill. Such difference is recorded in the account “Difference in Value from Restructuring Transactions between Entities under Common Control” and is presented as a component of equity.

Since the adoption of PSAK No. 38, (Revised 2012) “Business Combination for Entities Under Common Control”, started from January 1, 2013, this account can not be recognized as a realized gain or loss nor reclassified to retained earnings.

2.s. Derivative Financial Instruments

The Company only enters into derivative financial instrument contracts in order to hedge underlying exposures. Derivative financial instruments are recognised at their fair values. The method of recognising the resulting gains or losses is dependent on whether the derivative is designated as a hedging instrument for accounting purposes and the nature of the item being hedged. The Company designates derivatives as hedges of the foreign exchange rate risk associated with a recognised liability (cash flow hedge).

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges for accounting purposes and that are effective, are recognised in other comprehensive income. When a hedging instrument expires, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss in equity is recognised in profit or loss.

Changes in the fair value of derivatives that do not meet the criteria of hedging for accounting purposes are recorded in profit or loss.

The fair value measurements of foreign currency forward contracts have been determined by the independent valuer for contracts owned by the Company at the financial position date and calculated based on observable market foreign exchange rates.

Changes in the fair value of foreign currency forward contract designated as hedging instruments that effectively offset the variability of cash flows associated with the borrowings are recorded in other comprehensive income. The amounts are subsequently recognised in profit or loss as adjusments of the exchange rate differences of related underlying borrowing which is hedged on the same period in which the exchange rate differences affect earnings.

2.t. Revenue and Expense Recognition

The Group recognize revenues from the sale of real estate using the full accrual method. Revenues of real estate sales is fully recognized if the following conditions for each type of sale are met:

For the sale of parcel of vacant land, the criteria that should be met are as follows:

a. The payments received from the buyer have reached 20% of the agreed selling price and the amount is non-refundable;
b. The collectibility of the selling price can be reasonably assured;
c. The receivables from the sale is not subject to future subordination against other loans which will be obtained by the buyer;
d. The process of land development has been completed thus the seller is not obliged to develop the sold lots such as the obligation to construct lot of land and or obligation to develop main infrastructure promised by the seller, in accordance with the sales and purchase agreement or any regulation requirements; and
e. The sale consists only of the vacant land, without any obligation on the part of the seller to construct a building on the land sold.

For the sale of residential houses, shophouses and other similar types of buildings, including parcel of land, the criteria that should be met are as follows:

a. The sale is consummated;
b. The collectibility of the selling price can reasonably assured;
c. The receivables from the sale is not subject to future subordination against other loans which will be obtained by the buyer; and
d. The seller has transferred to the buyer the usual risks and rewards of ownership through a transaction which represents a sale in substance and the seller does not have substantial continuing involvement with such property.

If a real estate sale fails to meet all the criteria of full accrual method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

The revenue from shopping centers and apartments are recognized based on the percentage of completion method, if all of the following criteria are met:

a. The construction process has already beyond preliminary stage, that is, the building foundation has been completed and all of the requirements to start the construction have been fulfilled;
b. Total payments received from the buyer is at least 20% of the contract sales price and that such amount is not refundable; and
c. The amount of revenue and cost of the unit property can reasonably be estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities that need to be accomplished.

Cost of land lots sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included in the "Accrued Expenses" account which is presented in the consolidated statements of financial position. The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current year.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

Rental revenue and other services is recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership paid in advances are presented as deferred income and recognized as revenue over the period benefit.

Expenses are recognized when incurred.

2.u. Income Tax

Final Income Tax

Final income tax expense is recognized proportionately with the accounting income recognized during the year. The difference between the final income tax paid and the final tax expense in the profit or loss for the period is recognized as prepaid tax or tax payable. If the income is already subjected to final income tax, the differences between the consolidated financial statements carrying value of existing assets and liabilities and their tax bases are not recognized as deferred tax assets or liabilities.

Non-Final Income Tax

Current income tax is calculated from taxable income, the earnings that have been adjusted to the appropriate tax rules.

Amendments to taxation liabilities are recorded when an assessment is received or, if appealed against, when the results of the appeal is determined.

Current tax assets and current tax liabilites are offset if, and only if, the entity:
1) has a legally enforceable right to set off the recognised amount; and
2) intents to settle in net basis, or realises and settles the asset and liability simultaneously.

All temporary differences between the tax bases of assets and liabilities and their carrying value for financial reporting purposes are recognized as deferred tax using balance sheet liability method. Currently or substantially enacted tax rates are used to determine deferred income tax.

Deferred tax assets and deferred tax liabilites are offset if, and only if, the entity:
1) has a legally enforceable right to set off current tax asset against current tax liability; and
2) the deferred tax asset and the deferred tax liability relate to income taxes levied by the same tax authority on the same taxable entity.

2.v. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing profit attributable to ordinary shares holder of the parent entity by the weighted average number of common stocks in the one (1) reporting year.

Diluted EPS accounted for other securities potentially have dilutive effect to ordinary shares which are outstanding during the reporting year.

2.w. Segment Information

Operating segment is a component of an entity that engages in business activities whose operating results are regularly reviewed by the management and for which discrete financial information is available.

The Company organized its business into six (6) operating segments:
(i) Urban development, which comprises, among others, activities in real estate, urban development, land acquisition and clearing, land development and excavation and infrastructure development.
(ii) Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
(iii) Retail malls, which comprises among others, activities in real estate in development and management of shopping center.
(iv) Healthcare, which comprises activities in health services.
(v) Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
(vi) Property and portfolio management, which comprises, among others, activities in management services.

The above operating segments are strategic business units that offer different products and services. Products and services are managed separately because each business requires market strategies and different resources. The accounting policies for operating segments are the same as described in this summary of significant accounting policies.

2.x. Financial Instruments

Financial Assets

Financial assets are classified into four (4) categories, as follows (i) financial assets measured at fair value through profit or loss (FVTPL), (ii) loans and receivables, (iii) held-to-maturity financial assets (HTM financial assets) and (iv) available-for-sale financial assets (AFS financial assets). The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition.

(i) Financial assets measured at FVTPL

Financial assets measured at FVTPL are financial assets which are held for trading. Financial asset is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

At the time of initial recognition, financial assets at fair value through profit or loss are recognized at fair value. Transaction costs related to acquisition are recognize at profit or loss current year. After initial recognition, changes in fair value are recognize at consolidated statement of comprehensive income

Group recognize call spread option on fair value trough profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest rate method.

Financial assets are recognize by loans and receivables include cash and cash equivalents, accounts receivable, other current financial assets, due from related parties non-trade and other non-current financial assets.

(iii) HTM financial assets

HTM financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity, other than:

a) Those that are designated as financial assets measured at FVTPL upon initial recognition;
b) Those that are designated as AFS financial assets; and
c) Those that meet the definition of loans and receivables.

At initial recognition, held-to-maturity investments are recognized at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method

The Group does not have a financial asset investments held to maturity.

(iv) AFS financial assets

AFS financial assets are non-derivative financial assets that are intended to be held for an indefinite period of time, which might be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, HTM financial assets or financial assets measured at FVTPL.

AFS financial assets are initially recognized at fair value, plus transaction cost, and are measured subsequently at fair value with gains and losses being recognized in the consolidated statements of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. If AFS financial assets are determined to be impaired, the cumulative gain or loss previously recognized as other comprehensive income will be recognized as gain in the current year. Interest income is calculated using the effective interest method and foreign exchange gains or losses on monetary assets classified as AFS financial assets is recognized as gain or loss in the current year.

Investments classified as available-for-sale financial assets are as follows:

- Equity Investments that are not available at fair value with ownership less than 20% of other long-term investments are recorded in other expenses
- Equity Investments which are available at fair value with ownership less than 20% are classified as financial assets available for sale, recorded at fair value.

Available for sale financial assets held by the Group include investments available for sale and stock investments.

Impairment of Financial Assets

Financial assets, other than measured at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For listed and unlisted equity investments classified as AFS financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as receivables, the impairment value of assets are assessed individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized as gain or loss in the current year.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to the consolidated statements of comprehensive income.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as profit to the extent that the carrying amount of the investment on the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized as loss are not reversed through profit for the period. Any increase in fair value subsequent to an impairment loss is recognized directly to other comprehensive income.

Derecognition of Financial Assets
The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial Liabilities
Financial liabilities are classified into the category of (i) financial liabilities measured at FVTPL and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities measured at FVTPL
Financial liabilities measured at FVTPL are financial liabilities which are held for trading. A financial liability is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

At initial recognition, financial liabilities at FVTPL are recognized at fair value. Transaction costs in connection with the issuance recognized in operating expense current year. Increase or decrease in fair value recognized in the subsequent statement of comprehensive income.

The Group does not have financial liabilities measured at fair value through profit or loss.

(ii) Financial liabilities measured at amortized cost
Financial liabilities that are not classified as financial liabilities at FVTPL are categorized and measured at amortized cost using effective interest rate method.

Financial liabilities measured at amortized cost which is owned by Group include trade payables, accrual, short-term employee benefits liabilities, other short-term financial liabilities, bank loan, due to of non-trade, bonds, other long-term liabilities.

Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Equity Instruments
Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The equity instruments issued by the Company are recognized at net proceeds after deducting the cost of its issuance and presented as part of equity as "Additional Paid-in Capital - Net" account.

Reacquisition of the Company's own equity instruments are recognized as treasury stock at cost and deducted from capital stock.

Offsetting of Financial Instruments
Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Effective Interest Rate Method
The effective interest method is a method used for calculating the amortized cost of a financial instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of financial assets at initial recognition.

Income is recognized on an effective interest basis for financial instruments other than financial instruments at fair value through profit or loss.

Fair Value
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PSAK No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price, while financial liabilities use ask price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

2.y. Important Estimated Source of Uncertainty and Accounting Considerations

The preparation of financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting year.

In the preparation of these consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilties in financial statements. In addition, there are accounting assumptions about the sources of estimation uncertainty at end of reporting period that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting year.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

i. Source of Uncertainty of Critical Accounting Estimates and Assumptions

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the consolidated financial statements, as follows:

Allowance for Impairment of Receivable

In general, the management analyzes the adequacy of the allowance for impairment of receivable based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable is carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting period, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Note 4).

Impairment of Goodwill

In estimating the impairment of goodwill, Mangement Group in the analysis and assessment of the ability of the cash generating unit, the entity acquisition operating conditions change and transfer generating unit goodwill. If there are indications of a decrease in the ability of the cash generating unit in cash and management believes that the cash generating unit decreased ability to generate cash, then the management will do the impairment of goodwill. If there is a change in the operational business units and / or cash-generating unit has been transferred, the entire value of goodwill previously recorded will be impaired. The carrying value of goodwill is presented in Note 13.

Deferred Tax Assets Estimation

Deferred tax assets recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation (see Note 17.b).

Useful Lifes of Property and Equipment Estimation

Management makes a periodic review of the useful lifes of property and equipment based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment, if any, are prospectively treated in accordance with PSAK No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors" (see Note 12).

Post-employment Benefits
The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits (see Note 23).

The Group determines the appropriate discount rate at end of reporting year by the interest rate used to determine the present value of future cash outflows expected to settle this obligation. In determining the appropriate level of interest rates, the Company considers the interest rate of government bonds denominated in Rupiah that has a similar period to the corresponding period of obligation. Other key assumption is partly determined by current market conditions, during the year in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the year.

Fair Value of Financial Instruments
If the fair value of financial assets and liabilities recorded in the statement of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

ii. Important Consideration in the Determination of Accounting Policies

The following judgment made by management in the application of the Group's accounting policies that have significant effect on the amounts presented in the financial statements:

Revenue Recognition - Percentage of Completion Method
Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the cost that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of determination of the estimated percentage of completion and it realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting period, in which the material error correction will be carried out retrospectively (see Note 34).

Revenue Recognition – Professional Fees
Policy and billing system to the patient is an integral of over all charges consisted of consulting with the doctor, use of drugs and other medical procedures. Above the cost of consulting a doctor, the Hospital perform specific calculations for each doctor, make payments and tax cuts every month to the doctor, although a bill to the patient is not fully collectible. Management of the Group considered that there was no agency relationship between the hospital and its doctors, with consideration to the impact of the significant benefits and risks related to the provision of medical services by the doctors to patients. Bills for medical services are recognized as revenue when the recognition criteria are met (see Note 34).

3. Cash and Cash Equivalents

	2014 Rp	2013 Rp
Cash		
(Include 2014: USD 2,564, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376 ; 2013: USD 2,564, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376)	6,620,446,207	6,917,942,083
Bank		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	320,481,703,637	172,388,811,892
PT Bank Permata Tbk	237,174,662,552	12,522,995,740
PT Bank Negara Indonesia (Persero) Tbk	118,442,528,427	108,633,441,787
PT Bank Central Asia Tbk	57,811,715,043	37,447,323,869
PT Bank Mandiri (Persero) Tbk	28,035,605,515	28,725,205,715
PT Bank Rakyat Indonesia (Persero) Tbk	16,645,255,187	56,199,268,479
PT Bank Mega Tbk	16,547,697,141	10,502,477,916
PT Bank Danamon Indonesia Tbk	10,713,599,454	14,143,614,618
PT Bank OCBC NISP Tbk	3,841,943,155	5,653,784,095
PT Bank Internasional Indonesia Tbk	2,986,264,647	4,856,944,917
PT Bank Tabungan Negara (Persero) Tbk	1,951,326,092	2,569,724,331
PT Bank Pan Indonesia Tbk	687,850,498	1,706,452,872
Others (Each bellow Rp1 billion)	3,705,024,452	2,115,802,968
Foreign Currency		
PT Bank CIMB Niaga Tbk		
USD	14,565,105,541	43,108,251,058
SGD	836,974,421,943	83,987,325,088
PT Bank Negara Indonesia (Persero) Tbk		
USD	8,950,532,697	2,403,157,786
SGD	519,085,305,443	--
PT Bank OCBC NISP Tbk		
USD	3,231,417,386	1,866,372,021
SGD	358,434,677,891	17,328,680,824
EUR	94,174,172	104,678,765
BNP Paribas, Singapore		
USD	54,895,277,406	2,729,567,119
SGD	71,383,502,267	620,518,246
OCBC Bank, Singapore - SGD	50,950,462,884	65,039,895,534
PT Bank Internasional Indonesia Tbk - USD	17,348,651,129	3,692,834,833
PT Bank Permata Tbk		
USD	7,412,647,182	1,466,219,564
SGD	9,424,726,727	--
PT Bank ANZ Indonesia		
USD	9,572,022,812	2,086,378,332
AUD	4,086,002,246	1,759,399,666
EUR	2,679,901,063	1,433,499,312
PT Bank Mega Tbk		
USD	2,517,140,451	3,400,340,708
SGD	2,206,932,491	3,466,320,893
Credit Suisse, Singapore - USD	--	1,294,267,979
Others (each bellow Rp1 billion)	1,719,989,289	1,438,883,785

	2014 Rp	2013 Rp
Related Party		
Rupiah		
PT Bank Nationalnobu Tbk	347,242,393,752	335,256,404,263
	3,141,800,460,572	1,029,948,844,975
Time Deposits		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	126,728,127,142	390,258,911,766
PT Bank Negara Indonesia (Persero) Tbk	97,646,596,412	219,494,703,751
PT Bank Mandiri (Persero) Tbk	9,400,530,387	8,627,025,852
PT Bank Mega Tbk	3,000,000,000	47,500,000,000
PT Bank Mayapada International Tbk	1,033,988,047	6,120,774,394
PT Bank Rakyat Indonesia (Persero) Tbk	--	2,725,066,950
PT Bank Permata Tbk	--	1,237,470,512
Others (each bellow Rp1 billion)	2,132,098,630	1,932,990,123
Foreign Currency		
OCBC Bank, Singapore - SGD	74,560,695,591	29,052,856,731
Credit Suisse, Singapore		
USD	4,633,865,666	24,403,874,322
SGD	61,504,402,084	12,223,658,012
PT Bank CIMB Niaga Tbk - USD	108,264,766	108,264,767
PT Bank Permata Tbk - USD	--	61,310,396,723
PT Bank OCBC NISP Tbk - USD	--	12,189,000,000
Related Party		
Rupiah		
PT Bank Nationalnobu Tbk	--	1,000,000,000
	380,748,568,725	818,184,993,903
Total	**3,529,169,475,504**	**1,855,051,780,961**

Contractual interest rates and maturity period of the time deposits are as follows:

	2014	2013
Interest Rates		
Rupiah	3.00% - 10.00%	3.00% - 6.50%
Foreign Currency	0.50% - 3.00%	0.50% - 3.00%
Maturity Period	0 - 3 Months	0 - 3 Months

4. Trade Accounts Receivable

	2014 Rp	2013 Rp
Third Parties		
Urban Development:		
Land Lots	51,067,566,957	38,368,526,368
Asset Enhancements	39,223,150,633	37,201,571,842
Residential Houses and Shophouses	25,800,187,442	13,049,988,562
Memorial Park	22,855,595,423	22,892,208,206
Others	15,817,747,188	15,820,046,145
Subtotal	154,764,247,643	127,332,341,123

	2014 Rp	2013 Rp
Large Scale Integrated Development:		
Apartments	19,182,165,804	74,172,268,058
Asset Enhancements	7,902,398,506	13,785,747,741
Subtotal	27,084,564,310	87,958,015,799
Retail Malls:		
Asset Enhancements	151,884,010,118	96,176,489,419
Shopping Centers	21,207,942,024	21,791,834,450
Subtotal	173,091,952,142	117,968,323,869
Healthcare:		
Inpatient and Outpatient	403,650,789,171	277,104,499,727
Hospitality and Infrastructure:		
Town Management and Water Treatment	132,664,904,503	117,333,032,589
Hotels and Restaurants	13,801,721,957	17,134,765,612
Recreations and Sports	79,072,403	91,729,932
Others	8,478,048,262	1,564,102,391
Subtotal	155,023,747,125	136,123,630,524
Property and Portfolio Management:		
Management Fees	98,875,298,186	72,819,087,284
Total Trade Accounts Receivable from Third Parties	1,012,490,598,577	819,305,898,326
Less : Allowance for Impairment in Value	(64,936,716,285)	(50,066,447,517)
Trade Accounts Receivable from Third Parties - Net	947,553,882,292	769,239,450,809
Related Parties		
Healthcare:		
Inpatient and Outpatient	3,549,747,604	2,432,208,891
Total	**951,103,629,896**	**771,671,659,700**

The movements in allowances for impairment of receivables are as follows:

	2014 Rp	2013 Rp
Third Parties		
Balance of January 1,	50,066,447,517	46,463,775,446
Addition	15,897,116,807	3,860,486,607
Reversal	(1,026,848,039)	(257,814,536)
Balance of December 31,	**64,936,716,285**	**50,066,447,517**

Additional (reversal) of allowance for impairment of trade accounts receivable is based on the review of the status of debtors at the end of the year.

Management believes that the allowance for impairment is adequate to cover the possibility of uncollectible trade accounts receivable.

Trade accounts receivable of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loans obtained from PT Bank Central Asia Tbk (see Note 21).

Trade accounts receivable denominated in Rupiah currency and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 42 and 44.

5. Other Current Financial Assets

	2014 Rp	2013 Rp
Third Parties		
Available-for-Sale Financial Assets	5,502,958,263,108	5,109,971,815,786
Call Spread Option (See Note 40.d)	1,787,652,313,287	1,089,358,745,423
Other Accounts Receivable	675,624,583,321	466,879,928,946
Dividend Receivable	144,775,104,434	112,271,998,095
Total	**8,111,010,264,150**	**6,778,482,488,250**

Available-for-Sale Financial Assets

	2014 Rp	2013 Rp
At Cost		
Lippo Malls Indonesia Retail Trust (LMIR Trust) (2014: 807,438,556 unit; 2013: 676,589,968 unit)	3,272,180,664,720	2,794,469,203,850
First REIT (2014: 246,633,504 unit; 2013: 235,807,453 unit)	1,956,314,723,620	1,842,887,452,629
Foreign Exchange Translation	106,215,030,060	48,566,393,120
Accumulated Unrealized Gain (Loss):		
Charged to Profit or Loss	(1,949,311,917)	(1,949,311,917)
Charged to Other Comprehensive Income	170,197,156,625	425,998,078,104
Total	**5,502,958,263,108**	**5,109,971,815,786**

Available-for-Sale Financial Assets is an investment in REIT's units which are listed on the Singapore Stock Exchange. The quoted market price of REIT units as of December 31, 2014 and 2013 are SGD 1.255 and SGD 1.060, respectively, for First REIT units, and SGD 0.340 and SGD 0.415, respectively, for LMIR Trust units.

Other Accounts Receivable

	2014 Rp	2013 Rp
PT Kemang Mall Terpadu	326,042,712,381	--
PT Palembangparagon Mall	25,163,567,059	25,163,567,059
PT Bayutama Sukses	23,461,377,900	70,190,133,700
PT Dasa Graha Jaya	2,180,998,860	75,345,005,905
PT Bina Bangun Bersama	--	53,572,613,715
PT Amanda Cipta Utama	--	14,789,445,540
Others	306,075,637,304	234,172,456,989
SubTotal	682,924,293,504	473,233,222,908
Less: Allowance for Impairment in value	(7,299,710,183)	(6,353,293,962)
Total - Net	**675,624,583,321**	**466,879,928,946**

The movements in allowances for impairment of receivables are as follows:

	2014 Rp	2013 Rp
Third Parties		
Balance January 1,	6,353,293,962	6,353,293,962
Addition	946,416,221	--
Balance December 31,	**7,299,710,183**	**6,353,293,962**

Receivable from PT Kemang Mall Terpadu, arisen from sale of Kemang Mall.

Receivables from PT Dasa Graha Jaya arisen from the sale of land and building of Siloam Hospitals Bali (see Note 40.b).

Receivables from PT Bayutama Sukses arisen from the sale of land and building of Siloam Hospitals Makassar (see Note 40.b).

Receivable from PT Bangun Bina Bersama (BBB) represent loan for capital expenditures. As of December 31, 2014, BBB has been consolidated to the Company consolidated financial statement.

Receivables from PT Palembangparagon Mall (PM) represents loan for capital expenditures before PM was divested.

Receivables from PT Amanda Cipta Utama, are receivables incurred from the sale of shopping center (Mall Binjai) to PT Amanda Cipta Utama, a subsidiary of LMIR Trust.

The Group's management believes that allowance for impairment is adequate to cover the possibility of uncollectible other accounts receivable.

Dividend Receivable
This account represents dividend receivable of Bridgewater International Ltd., PT Menara Tirta Indah, Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, all subsidiaries, from their investments in First REIT and LMIR Trust, respectively.

6. Inventories

	2014 Rp	2013 Rp
Urban Development:		
Land under Development	8,308,155,695,151	5,835,056,245,467
Residential Houses and Shophouses	2,177,171,906,931	1,830,309,020,890
Apartments	87,142,119,963	60,095,656,897
Others	8,976,074,946	8,110,616,280
Subtotal	10,581,445,796,991	7,733,571,539,534
Large Scale Integrated Development:		
Land under Development	2,062,137,788,218	1,707,783,618,492
Shopping Centers	1,330,357,737,118	2,066,832,820,104
Apartments	1,132,228,299,221	1,085,315,718,504
Subtotal	4,524,723,824,557	4,859,932,157,100

	2014 Rp	2013 Rp
Retail Malls:		
Shopping Centers	1,151,698,829,656	1,018,866,295,705
Land under Development	183,041,252,330	179,719,926,627
Subtotal	1,334,740,081,986	1,198,586,222,332
Healthcare:		
Medical and Non Medical Supplies	105,857,883,964	94,831,081,782
Hospitality and Infrastructure:		
Hotels and Restaurants	5,636,592,465	5,820,005,886
Recreation and Sports	582,131,842	1,161,141,082
Others	88,737,396	146,716,034
Less: Allowances Decline in Inventories Value	(39,505,683)	(39,505,683)
Subtotal	6,267,956,020	7,088,357,319
Total - Net	**16,553,035,543,518**	**13,894,009,358,067**

In 2014, land for development was reclassified to inventory amounting Rp441,635,251,200 (see Note 15).

In 2014, inventory was reclassified to property and equipment amounting to Rp39,635,919,598 and property and equipment was reclassified to inventory amounting to Rp13.679.733.593 (see Note 12).

In 2013, inventory was reclassified to property and equipment amounting to Rp141,375,080,787 (see Note 12).

Land owned by Company area 21,940 sqm used as a collateral for a loan to PT Bank Negara Indonesia (Persero) Tbk (see Note 19).

Land owned by PT Waska Sentana, subsidiary, area 38,901 sqm used as a collateral for a loan to PT Bank ICBC Indonesia (see Note 40.e).

Borrowing costs capitalized into land under development for the years ended December 31, 2014 and 2013 amounting to Rp897,098,924,229 (include bond interest amounted to Rp575,116,386,833) and Rp989,553,824,500 (include bond interest amounted to Rp459,290,949,723), respectively (see Note 22).

As of December 31, 2014, land under development consisted of land covering a net area of approximately 31 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 62 hectares in Mampang Prapatan District, 20 hectares in Panunggangan Barat Village, 25 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 94 hectares in Margakaya Village, Telukjambe, Karawang, 170 hectares in Cibatu Village, 22 hectares in Serang Village, 25 hectares in Sukaresmi Village, 7 hectares in Cicau Village, 2 hectares in Kuta, Bali, 25 hectares in Jaya Mukti Village, 16 hectares in Tanjung Merdeka Village, 23 hectares in Macini Sombala Village, 13 hectares in Tamanyeleng Village, 32 hectares in Barombong Village and 14 hectares in Mariso District, 3 hectares in Panakukang Village, 1 hectare in Warung Buncit district, 4 hectares in Cempaka Putih District, 2 hectares in Wenang District, North Sulawesi, 3 hectares in Alak District, East Nusa Tenggara, 1 hectare in Medan Ringroad, 3 hectares in Komodo District, Nusa Tenggara Timur, 2 hectares in Rajabasa district, Lampung and 1 hectare in Serengan District, Surakarta.

Medical supplies and consumables of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Note 21).

The amount of inventory charged to cost of sales amounted to Rp4,276,040,362,277 and Rp2,073,646,015,520, respectively, for the years ended December 31, 2014 and 2013.

Management believes there is no indication of change in circumstances that causes a decrease in the value of inventories at December 31, 2014.

The Group's inventories have been insured against all risks, with sum insured of Rp5,629,000,000,000 and USD10,200,000 as of December 31, 2014 and Rp5,701,000,000,000 and USD 13,600,000 as of December 31, 2013, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.

7. Prepaid Expenses

	2014 Rp	2013 Rp
Rental	138,391,344,438	108,460,748,566
Others	58,512,020,249	29,398,168,935
Total	**196,903,364,687**	**137,858,917,501**

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 40.b).

8. Other Non-Current Financial Assets

	2014 Rp	2013 Rp
Restricted Funds	561,596,218,297	460,469,077,258
Other Investments	58,329,023,011	58,329,023,011
Total	**619,925,241,308**	**518,798,100,269**

Restricted Funds

Restricted fund represents the Group's time deposits placement in relation to mortgages agreements (KPR and KPA) entered by the Group with their respective banks. These deposits earn an equal interest to the Rupiah's denominated time deposits owned by the Group (see Note 3).

Other Investments

	Domicile	2014 Rp	2013 Rp
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitradaya	Jakarta	160,000,000	160,000,000
Others	--	29,384,011	29,384,011
Total		**58,329,023,011**	**58,329,023,011**

This account represents investment in shares below 20% of ownership in some companies which do not have quoted stock market prices.

9. Transactions and Balances with Related Parties

The details of the account balances with related parties are as follows:

			Percentage to Total Assets/ Liabilities Revenue/ Operating Expenses	
	2014 Rp	2013 Rp	2014 %	2013 %
Cash and Cash Equivalents				
PT Bank Nationalnobu Tbk				
Current Account	347,242,393,752	335,256,404,263	0.92	1.07
Time Deposits	--	1,000,000,000	--	0.00
Total Cash and Cash Equivalents	**347,242,393,752**	**336,256,404,263**	**0.92**	**1.07**
Trade Accounts Receivable				
Other (below Rp1 billion each)	**3,549,747,604**	**2,432,208,891**	**0.01**	**0.01**
Investments in Associates				
PT Surya Citra Investama	69,504,608,821	66,551,763,917	0.18	0.21
PT TTL Residences	28,031,250,000	28,031,250,000	0.07	0.09
PT Hyundai Inti Development	12,229,173,806	11,284,752,744	0.03	0.04
PT Anho Biogenesis Prima Indonesia	4,250,000,000	--	0.01	--
PT Graha Teknologi Nusantara	--	15,295,000,000	--	0.05
Other (below Rp1 billion each)	9,268,729,654	9,268,729,735	0.02	0.03
Total Investments in Associates	**123,283,762,281**	**130,431,496,396**	**0.33**	**0.42**
Due from Related Parties Non-Trade				
PT Bumi Lemahabang Permai	9,910,889,654	9,919,451,291	0.03	0.03
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.02
Directors, Commisioners and Key Management	7,805,374,362	2,151,716,974	0.02	0.01
Other (below Rp1 billion each)	4,753,601,521	4,778,993,206	0.01	0.02
Total	27,361,800,988	21,742,096,922	0.07	0.08
Less : Allowance for Impairment in Value	(12,573,437,421)	(12,004,700,338)	(0.03)	(0.04)
Total Due from Related Parties Non-Trade - Net	**14,788,363,567**	**9,737,396,584**	**0.04**	**0.04**
Due to Related Parties Non-Trade				
PT Tirta Graha Sentana	2,215,692,479	2,215,692,479	0.01	0.01
Other (below Rp1 billion each)	1,163,585,640	1,612,599,640	0.01	0.01
Total Due to Related Parties Non-Trade	**3,379,278,119**	**3,828,292,119**	**0.02**	**0.02**
Deferred Income				
PT Mulia Persada Pertiwi	315,477,569,167	--	1.57	--
PT Matahari Putra Prima Tbk	134,362,277,359	561,270,815,716	0.67	3.28
Total Deferred Income	**449,839,846,526**	**561,270,815,716**	**2.24**	**3.28**
Long-Term Post-Employment Benefits Liability				
Directors, Commisioners and Key Management	**12,220,099,936**	**8,776,903,677**	**0.06**	**0.05**
Revenues				
PT Matahari Putra Prima Tbk	31,830,427,837	15,623,549,612	0.27	0.23
PT Mulia Persada Pertiwi	8,782,030,833	--	0.08	--
Total Revenues	**40,612,458,670**	**15,623,549,612**	**0.35**	**0.23**
Short-Term Post-Employment Benefits Expenses				
Directors, Commisioners and Key Management	**65,178,996,257**	**46,813,837,437**	**3.07**	**3.05**

Nature of transactions with related parties are as follows:

Related Parties	Relationship with the Company	Transactions
PT Matahari Putra Prima Tbk	Under Common Control	Deferred income and revenue
PT Mulia Persada Pertiwi	Under Common Control	Deferred income and revenue
PT Bumi Lemahabang Permai	Under Common Control	Non-interest bearing intercompany charges, advances in connection with the cancellation of land
PT Surya Cipta Investama	Associate	Investment in shares of stock
PT Hyundai Inti Development	Associate	Investment in shares of stock
PT TTL Residences	Associate	Investment in shares of stock
PT Graha Teknologi Nusantara	Associate	Investment in shares of stock
PT Anho Biogenesis Prima Indonesia	Associate	Investment in shares of stock
PT Bank Nationalnobu Tbk	Under Common Control	Placement of cash and cash equivalents
PT Duta Mas Kharisma Indah	Under Common Control	Non-interest bearing intercompany charges
PT Tirta Graha Sentana	Under Common Control	Non-interest bearing intercompany charges

In 2014, PT Menara Bhumimegah, a subsidiary, has returned prepaid rental to PT Matahari Putra Prima Tbk amounted to Rp83,000,000,000.

On March 12, 2014, prepaid rental from PT Matahari Putra Prima Tbk (MPPa), was novated to PT Mulia Persada Pertiwi (MPPi). Upon this novation, all rights and obligations arising from previous lease agreement were transfered to MPPi by MPPa.

Receivable from PT Bumi Lemahabang Permai represents receivable of PT Lippo Cikarang Tbk, a subsidiary, which is mainly consist of non-interest bearing intercompany accounts from operational expenses which are unsecured and has no fixed repayment period.

10. Invesments in Associates

	2014						
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Disposal of Investment	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	36,539,625,325	--	--	69,504,608,821
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,200,501,635	(93,126,751,199)	--	12,229,173,806
PT TTL Residences	Bekasi	25.00	28,031,250,000	--	--	--	28,031,250,000
PT Graha Teknologi Nusantara	Jakarta	20.00	15,295,000,000	--	--	(15,295,000,000)	--
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	--	--	--	4,250,000,000
Others (below Rp5 billion each)			25,143,494,000	(15,874,764,346)	--	--	9,268,729,654
Total			**111,840,150,866**	**119,865,362,614**	**(93,126,751,199)**	**(15,295,000,000)**	**123,283,762,281**

	2013					
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Carrying Value
		%	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	33,586,780,421	--	66,551,763,917
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	93,914,203,236	(88,784,873,862)	11,284,752,744
PT TTL Residences	Bekasi	25.00	28,031,250,000	--	--	28,031,250,000
PT Graha Teknologi Nusantara	Jakarta	20.00	15,295,000,000	(102,790,191)	--	15,192,209,809
Others (below Rp5 billion each)			25,143,494,000	(15,771,974,074)	--	9,371,519,926
Total			**107,590,150,866**	**111,626,219,392**	**(88,784,873,862)**	**130,431,496,396**

Based on Deed No 32 dated April 9, 2013 which was made in presence of Charles Hermawan, S.H., a notary in Tangerang, PT manunggal Utama Makmur (MUM), a subsidiary, owns 20% ownership in PT Graha Tehnologi Nusantara (GTN). Based on deed No 9 dated May 9, 2014 which was made in presence of Rini Yulianti, S.H., a notary in Jakarta Timur, MUM share ownership in GTN was transfered to PT Multipolar Technology Tbk and PT Tryane Saptajagat, related parties, with the transaction cost of Rp15,295,000,000. Upon the disposal of such investment, the Company recorded gain amounted to Rp102,790,191 as other income.

The following is a summary of financial information on associates as of December 31, 2014 and 2013:

	2014 Rp	2013 Rp
Total Agregat of Assets	319,836,110,450	227,654,875,973
Total Agregat of Liabilities	15,683,856,331	22,672,880,959
Total Agregat of Current Year Net Revenues	102,056,181,969	87,544,591,711
Total Agregat of Profit of the Year	25,721,854,533	21,136,365,153

There was no fair value information available based on quoted market prices of the above investments in associates.

11. Investment Property

	2014				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Land	56,201,024,208	--	--	--	56,201,024,208
Building	322,292,252,875	21,460,468,648	--	--	343,752,721,523
Total Acquisition Cost	378,493,277,083	21,460,468,648	--	--	399,953,745,731
Accumulated Depreciation					
Building	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Total Accumulated Depreciation	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Carrying Value	**306,361,105,208**				**310,304,754,503**

	2013				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Land	55,213,852,732	987,171,476	--	--	56,201,024,208
Building	300,367,484,281	21,924,768,594	--	--	322,292,252,875
Total Acquisition Cost	355,581,337,013	22,911,940,070	--	--	378,493,277,083
Accumulated Depreciation					
Building	53,835,480,132	18,296,691,743	--	--	72,132,171,875
Total Accumulated Depreciation	53,835,480,132	18,296,691,743	--	--	72,132,171,875
Carrying Value	**301,745,856,881**				**306,361,105,208**

Rental revenue earned and direct operating expenses from investment property in the consolidated statements of comprehensive income are as follows:

	2014 Rp	2013 Rp
Rental Income	93,146,654,774	55,125,853,798
Direct Operating Cost Arises from the Rental Generated Investment Properties	33,647,438,937	31,616,560,654

Depreciation charges that were allocated in the consolidated statements of comprehensive income are as follows:

	2014 Rp	2013 Rp
Cost of Sales and Services	3,557,448,201	3,704,071,207
Selling Expense	13,959,371,152	14,592,620,536
Total	**17,516,819,353**	**18,296,691,743**

The investment property has been insured against fire damage and other risks with an insured amount of Rp565,000,000,000 and USD1,000,000 as of December 31, 2014, Rp1,490,000,000,000 and USD 25,000 as of December 31, 2013, respectively. The Company and subsidiaries' management is in the opinion that the insured amount is adequate to cover any possible losses.

Based on the valuation reports of Kantor Jasa Penilai Publik Rengganis Hamid dan Rekan and Kantor Jasa Penilai Publik Ihot Dollar & Raymond, independent appraisers which are not related with the Company, dated June 30, 2013 and June 11, 2013, respectively, the fair value of all inventories (Note 6), investment property, and property and equipment (Notes 12) as of December 31, 2013, amounted to Rp46,653,601,000,000. The appraisers are member of MAPPI and has appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the code of ethics of Indonesian valuation.

The approach used by the appraiser are:
1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of December 31, 2014 was not impaired as compared to 2013.

Based on the evaluation of the value of investment properties as of December 31, 2014, management believes that there are no changes in circumstances indicate an impairment of investment properties.

12. Property and Equipment

	2014				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Direct Ownership					
Land	353,113,027,388	71,372,749,704	--	53,315,653,191	477,801,430,283
Building, Infrastructure and Renovations	843,617,829,618	84,494,475,753	--	101,816,887,311	1,029,929,192,682
Parks and Interiors	36,886,191,401	990,838,387	--	(13,300,429,409)	24,576,600,379
Golf Course and Club House	172,759,176,590	2,845,532,140	--	--	175,604,708,730
Transportation Equipment and Vehicles	44,293,024,041	1,840,303,183	158,063,626	422,350,000	46,397,613,598
Furniture, Fixtures and Office Equipment	581,125,590,144	81,945,957,174	989,017,775	8,615,535,391	670,698,064,934
Tools and Medical Equipment	1,330,651,853,267	166,404,346,766	1,072,435,349	26,542,347,417	1,522,526,112,101
Machinery and Project Equipment	230,860,561,610	27,207,688,624	--	--	258,068,250,234
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	3,610,840,992,012	437,101,891,731	2,219,516,750	177,412,343,901	4,223,135,710,894
Construction in Progress	662,875,360,688	311,713,717,385	--	(137,397,120,119)	837,191,957,954
Total Acquisition Cost	4,273,716,352,700	748,815,609,116	2,219,516,750	40,015,223,782	5,060,327,668,848
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	233,663,427,726	54,593,177,004	--	--	288,256,604,730
Parks and Interiors	21,206,805,947	692,677,059	--	(379,304,184)	21,520,178,822
Golf Course and Club House	143,648,629,426	9,770,456,355	--	--	153,419,085,781
Transportation Equipment and Vehicles	29,074,260,283	4,277,809,536	158,063,626	--	33,194,006,193
Furniture, Fixtures and Office Equipment	365,391,970,828	113,234,343,650	967,381,395	--	477,658,933,083
Tools and Medical Equipment	499,005,568,015	184,484,341,446	907,435,345	--	682,582,474,116
Machinery and Project Equipment	153,341,047,381	24,084,613,373	--	--	177,425,660,754
Bowling Machinery	14,356,614,675	15,854,350	--	--	14,372,469,025
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,462,824,070,373	391,153,272,773	2,032,880,366	(379,304,184)	1,851,565,158,596
Carrying Value	**2,810,892,282,327**				**3,208,762,510,252**

	2013				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Acquisition Cost					
Direct Ownership					
Land	335,485,657,403	17,803,533,940	41,321,409,585	41,145,245,630	353,113,027,388
Building, Infrastructure and Renovations	711,798,619,937	932,239,176,953	922,002,565,113	121,582,597,841	843,617,829,618
Parks and Interiors	26,866,902,888	10,019,288,513	--	--	36,886,191,401
Golf Course and Club House	171,293,891,590	1,465,285,000	--	--	172,759,176,590
Transportation Equipment and Vehicles	36,818,875,481	7,474,148,560	--	--	44,293,024,041
Furniture, Fixtures and Office Equipment	426,756,519,156	185,571,934,855	208,681,380	(30,994,182,487)	581,125,590,144
Tools and Medical Equipment	905,566,792,488	398,124,750,707	7,571,079,015	34,531,389,087	1,330,651,853,267
Machinery and Project Equipment	215,011,736,822	16,255,008,343	6,151,600	(400,031,955)	230,860,561,610
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	5,738,703,291	--	--	(2,602,957,199)	3,135,746,092
	2,849,735,690,917	1,568,953,126,871	971,109,886,693	163,262,060,917	3,610,840,992,012
Construction in Progress	540,733,313,222	144,029,027,596	--	(21,886,980,130)	662,875,360,688
Total Acquisition Cost	3,390,469,004,139	1,712,982,154,467	971,109,886,693	141,375,080,787	4,273,716,352,700

	2013				
	January 1, Rp	Addition Rp	Deduction Rp	Reclassification Rp	December 31, Rp
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	182,835,145,207	50,828,282,519	--	--	233,663,427,726
Parks and Interiors	19,635,460,003	1,571,345,944	--	--	21,206,805,947
Golf Course and Club House	133,640,168,275	10,008,461,151	--	--	143,648,629,426
Transportation Equipment and Vehicles	24,622,368,327	4,451,891,956	--	--	29,074,260,283
Furniture, Fixtures and Office Equipment	314,587,140,579	51,011,413,785	206,583,536	--	365,391,970,828
Tools and Medical Equipment	340,739,110,941	162,893,188,433	4,626,731,359	--	499,005,568,015
Machinery and Project Equipment	134,559,541,893	18,787,657,088	6,151,600	--	153,341,047,381
Bowling Machinery	14,337,021,968	19,592,707	--	--	14,356,614,675
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,168,091,703,285	299,571,833,583	4,839,466,495	--	1,462,824,070,373
Carrying Value	**2,222,377,300,854**				**2,810,892,282,327**

In 2014, the addition of property and equipment including from the acquired entity (see Notes 1.c and 45) with the acquisition cost of Rp154.614.736.423 and accumulated depreciation of Rp53.643.975.818.

In 2013, the addition of property and equipment including from the acquired entity (see Notes 1.c and 45) with the acquisition cost of Rp246,927,708,694 and accumulated depreciation of Rp29,272,544,334.

In 2014, the Group reclassified inventory to property and equipment amounting to Rp53,315,653,191 and reclassified property and equipment to inventory amounting to Rp13,679,733,593 (see Note 6). The addition of the Group's property and equipment, including non-cash transactions from accrued expenses amounted to Rp26,847,346,117.

In 2013, the Group reclassified inventory to property and equipment amounting to Rp141,375,080,787 (see Note 6). The addition of the Group's property and equipment, including non-cash transactions from accrued expenses amounted to Rp36,097,496,473 and realization of advance purchase of fixed assets amounting to Rp141,582,484,925. The deduction of buildings, infrastructure and renovation include deduction due to divestment of a subsidiary (see Note 1.c) amounting to Rp700,000,000,000.

Construction in progress includes hospitals and mall buildings. As of December 31, 2014, Construction in progress has reached 5% - 95% and estimated the completion within March 2015 until September 2016. Management believes there is no other matter which will hinder the completion.

Depreciation charges that were allocated in the consolidated statements of comprehensive income are as follows:

	2014 Rp	2013 Rp
General and Administrative Expenses	190,834,682,806	152,004,745,205
Cost of Sales and Services	140,832,187,049	114,291,899,833
Selling Expenses	5,842,427,100	4,002,644,211
Total	**337,509,296,955**	**270,299,289,249**

Acquisition cost of property and equipment that have been fully depreciated and still in use as of December 31, 2014 and 2013 amounted Rp112,186,371,970 and Rp105,177,098,020, respectively.

Details of the disposal on property and equipment of the Group for the years ended December 31, 2014 and 2013 are as follows:

	2014 Rp	2013 Rp
Acquisition Cost	2,219,516,750	286,675,568,900
Accumulated Depreciation	2,032,880,366	20,405,148,702
Book Value	186,636,384	266,270,420,198
Selling Price	665,198,588	814,869,309,976
Gain on Sale	478,562,204	548,598,889,778
Deferred gain on sale and leaseback transactions (Note 26)	--	475,274,403,794
Gain Credited to the Consolidated Statement of Comprehensive Income	**478,562,204**	**73,324,485,984**

In 2013, disposal on property and equipment of the Group mainly from sale of land and building of Siloam Hospitals Bali with carrying value amounting to Rp200,836,972,996 on March 26, 2013 and then leased back those assets (see Note 40.b) and the sale of the building by PT Almaron Perkasa, a subsidiary, to PT Tritunggal Mulia Nusantara with carrying value amounting to Rp62,502,955,497.

Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, are pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (see Note 21).

Land and building, vehicles, furniture, fixtures and office equipment and tools and medical equipment of PT Golden First Atlanta, a subsidiary, were pledged as collateral for loan obtained from PT Bank Central Asia Tbk (see Note 21).

There is no borrowing cost capitalized into property and equipment.

The Group property and equipment have been insured against fire damage and other risks, with insured amount of Rp1,616,000,000,000 and USD1,000,000,000 as of December 31, 2014 and amounting to Rp2,039,000,000,000 and USD4,000,000 as of December 31, 2013, respectively. The Group's management is in the opinion that the insured amount is adequate to cover any possible losses.

The Group's management is in the opinion that there is no impairment in the carrying value of property and equipment as of December 31, 2014.

13. Intangible Assets

	2014			
	January 1, Rp	Addition Rp	Deduction Rp	December 31, Rp
Acquisition Cost				
Goodwill	334,652,210,431	172,362,838,161	--	507,015,048,592
Software	21,035,850,783	21,558,341,385	--	42,594,192,168
Total Acquisition Cost	355,688,061,214	193,921,179,546	--	549,609,240,760

	2014			
	January 1, Rp	Addition Rp	Deduction Rp	December 31, Rp
Accumulated Impairment and Amortization				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	5,186,483,485	3,184,414,452	--	8,370,897,937
Total Accumulated Impairment and Amortization	23,847,087,803	3,184,414,452	--	27,031,502,255
Carrying Value	**331,840,973,411**			**522,577,738,505**

	2013			
	January 1, Rp	Addition Rp	Deduction Rp	December 31, Rp
Acquisition Cost				
Goodwill	208,279,265,320	126,372,945,111	--	334,652,210,431
Software	19,053,913,246	1,981,937,537	--	21,035,850,783
Total Acquisition Cost	227,333,178,566	128,354,882,648	--	355,688,061,214
Accumulated Impairment and Amortization				
Impairment of Goodwill	9,099,999,902	9,560,604,416	--	18,660,604,318
Amortization of Software	3,595,604,556	1,590,878,929	--	5,186,483,485
Total Accumulated Impairment and Amortization	12,695,604,458	11,151,483,345	--	23,847,087,803
Carrying Value	**214,637,574,108**			**331,840,973,411**

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value 2014 Rp	Net Value 2013 Rp
PT Tunggal Pilar Perkasa	PT Rashal Siar Cakra Medika	2014	101,776,732,211	--
PT Manunggal Bumi Sejahtera	PT Asiatic Sejahtera Finance	2014	64,794,498,390	--
PT Wisma Jatim Propertindo	PT Anugerah Bahagia Abadi	2014	5,791,607,560	
PT Koridor Usaha Maju	PT Medika Sarana Traliansia	2013	126,297,825,734	126,297,825,734
PT Lippo Malls Indonesia	PT Mulia Citra Abadi	2012	20,247,679,428	20,247,679,428
PT Persada Mandiri Dunia Niaga	PT Ekaputra Kencana Abadi	2012	15,050,000,000	15,050,000,000
PT Primakreasi Propertindo	PT Bimasakti Jaya Abadi	2012	9,509,000,000	9,509,000,000
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Propertindo	PT Surya Megah Lestari	2012	5,680,000,000	5,680,000,000
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
PT Medika Sarana Traliansia	PT Trisaka Raksa Waluya	2010	75,119,377	75,119,377
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
Total - Net			**488,354,444,274**	**315,991,606,113**

The management believes that the indentified impairment that occurred for the years ended December 31, 2014 and 2013 have been assessed adequately.

14. Advances

	2014 Rp	2013 Rp
Advances for Land Acquisition	964,586,377,005	622,100,496,508
Advances for Construction	548,203,926,343	208,339,100,001
Advances for Acquisition of Property and Equipment	89,474,806,976	93,978,166,821
Advances for Investments - PT Anugerah Bahagia Abadi	--	502,400,000,000
Others	109,176,570,364	29,611,986,498
Total	**1,711,441,680,688**	**1,456,429,749,828**

Advance for construction represents advance paid to contractor for projects construction.

On December 26, 2012, based on memorandum of understanding, PT Irama Karya Megah (IKM), a subsidiary, entered into a land purchase agreement located in Keputih and Gebang Putih administrative village, Surabaya with acquisition cost amounted to Rp250,000,000,000. Up to completion date of the consolidated financial statements, there has not yet binding for such land purchase agreement.

On January 7, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, amended the land sales and purchase agreement which was signed on December 17, 2012 for purchase consideration of Rp300,000,000,000. As of December 31, 2014, LC has made payment in total of Rp170,000,000,000.

On February 19, 2014, PT Gunung Halimun Elok (GHE), a subsidiary, entered into sales and purchase agreement on land located in Bintaro. As of December 31, 2014, GHE has made total payment of Rp81,392,750,000.

On April 28, 2014 and October 1, 2014, PT Satriamandiri Idola Utama (SIU), a subsidiary, entered into sales and purchase agreement for land located at Kemang sub-district. As of December 31, 2014, SIU has made total payment of Rp54,716,262,500.

On May 28, 2014, PT Bahtera Perkasa Makmur (BPM), a subsidiary, entered into sales and purchase agreement for land located in Manado, North Sulawesi. As of December 31, 2014, total payment made by BPM amounted to Rp34,597,000,000.

On July 22, 2014, PT Great Jakarta Inti Development, a subsidiary, entered into an agreement of transferring commercial rights of land located in Cibatu, Lippo Cikarang with PT Profita Sukses Abadi. Total value of the agreement is Rp 290,000,000,000 and has paid Rp 29,000,000,000 as advance payment.

On December 2, 2010, based on shares sale and purchase agreements, SIU, a subsidiary, will purchase shares ownership of PT Anugerah Bahagia Abadi (ABA) amounted to Rp549,686,500,000. On May 12, 2014, ABA was acquired by PT Wiswa Jatim Propertindo (see Notes 1.c and 45).

15. Land for Development

	2014		2013	
	Area sqm	Value Rp	Area sqm	Value Rp
The Company	1,001,010	204,957,334,722	1,001,010	203,350,714,722
Subsidiaries:				
PT Gowa Makassar Tourism Development Tbk	2,046,873	317,160,283,219	2,112,883	722,230,107,166
PT Lippo Cikarang Tbk	1,383,883	396,834,940,859	2.518.641	468,377,225,333
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Erabaru Realindo	702,371	22,845,087,500	702,371	22,845,087,500
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Sejatijaya Selaras	84,162	12,856,345,276	84,162	12,856,345,276
PT Bahtera Pratama Wirasakti	83,405	15,520,541,679	83,405	15,699,415,352
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
Total	**6,416,179**	**1,136,227,496,536**	**5,098,306**	**1,611,411,858,630**

In 2014, land for development amounting to Rp 441,635,251,200 was reclassified to inventory (see Note 6).

Land for development of the Company and subsidiaries are located at Curug Wetan Village, Curug Kulon, Sukabakti in Curug District; Serdang Wetan Village, Rancagong in Legok District; Ciakar Village, Serdang Kulon, Cukang Galih, Tangerang Regency, Banten; Cipambuan Village in Citeureup District, Bogor Regency, West Java; Sukaresmi, Cibatu, Cicau, Sukamukti, Sirnajati, Jayamukti, Pasirsari in Lemahabang District, South Cikarang; Tanjung Merdeka Village, Barombong, Maccini Sombala, Tamanyeleng, Mariso, Benteng Somba Opu in Makassar, South Sulawesi.

Site development permits of each land have been obtained from their respective local governors.

16. Accrued Expenses

	2014 Rp	2013 Rp
Estimated Cost for Construction	726,197,777,129	244,973,292,030
Interest	95,652,427,787	86,392,589,382
Endowment Care Fund	59,696,987,047	55,091,149,367
Hedging Premium of Call Spread Option	22,083,103,440	16,699,933,846
Contract Service	21,642,499,126	23,847,144,394
Cost of Goods Sold	19,079,289,656	12,135,538,175
Transfer of Ownership Tax	16,986,811,984	14,966,467,163
Professional Fees	1,624,616,670	15,218,437,089
Others (each bellow Rp10 billion)	162,466,039,961	82,283,922,062
Total	**1,125,429,552,800**	**551,608,473,508**

Accrued cost of goods sold represents accrued on unblilled hospitals cost of goods sold. This account will be reclassified to the appropriate account after the invoice is issued.

17. Taxation

a. Income Tax Expenses

	2014			2013		
	Company Rp	Subsidiaries Rp	Consolidated Rp	Company Rp	Subsidiaries Rp	Consolidated Rp
Current Tax Expenses						
- Final	7,675,691,277	364,753,566,219	372,429,257,496	4,058,987,507	163,973,096,288	168,032,083,795
- Non Final	25,394,547,628	162,224,285,978	187,618,833,606	--	138,215,844,158	138,215,844,158
Total Current Tax Expenses	33,070,238,905	526,977,852,197	560,048,091,102	4,058,987,507	302,188,940,446	306,247,927,953
Deffered Tax Expenses (Benefits)	2,829,144,155	(3,114,603,975)	(285,459,820)	1,918,033,283	24,173,051,049	26,091,084,331
Total Tax Expeses	**35,899,383,060**	**523,863,248,222**	**559,762,631,282**	**5,977,020,790**	**326,361,991,495**	**332,339,012,284**

The reconciliation between profit before tax as presented in the consolidated statements of comprehensive income and the Company's estimated taxable income is as follows:

	2014 Rp	2013 Rp
Profit before Tax as Presented		
in the Consolidated Statements of Comprehensive Income	3,694,978,541,909	1,924,830,226,980
Deduct: Income of Subsidiaries	(4,352,337,850,075)	(2,136,306,863,838)
The Company's Commercial Loss - Net	(657,359,308,166)	(211,476,636,858)
Deduct:		
Profit before Tax from Sale of Land and Buildings		
Subject to Final Tax	784,951,767,641	298,793,542,429
Rental Income Subject to Final Tax	(64,956,175,641)	(27,073,396,893)
The Company's Commercial Profit - Net	62,636,283,834	60,243,508,678
Temporary Differences		
Salaries and Employee Benefits	646,500,460	4,269,394,490
Depreciation of Direct Ownership of Property and Equipment	(4,659,630,335)	(4,638,080,876)
Deferred Gain on Sale and Leaseback Transactions	(7,303,446,744)	(7,303,446,744)
Subtotal	(11,316,576,619)	(7,672,133,130)
Permanent Differences		
Interest Income Subjected to Final Tax	(670,376,914)	(20,032,758,818)
Donation and Representation	382,271,772	378,882,028
Subtotal	(288,105,142)	(19,653,876,790)
Estimated Taxable Income for the Year	**51,031,602,073**	**32,917,498,758**
Estimated Current Tax - Company	12,757,900,518	--
Prior Period Current Tax Correction	12,636,647,110	--
Total Current Tax - Company	25,394,547,628	--
Deduct :		
Prepaid Income Tax		
Article 25	(237,945,168)	--
Article 23	(119,273,450)	--
Prior Period Current Tax	(12,636,647,110)	--
Estimated Current Tax Payable - Company	**12,400,681,900**	**--**
Fiscal loss carryforward:		
Year 2012	--	(140,714,970,628)
Year 2011	--	(117,567,525,998)
Year 2010	--	(14,180,639,173)
Year 2009	--	(10,011,515,492)
Accumulated Tax Loss - After Compensation	**--**	**(249,557,152,533)**

Until issuance date of these consolidated financial statements, the Company has not reported the 2014 annual Tax Return (SPT) to the tax office. Reported taxable income and tax expense for the year 2013 immaterially varied from SPT submitted by the Company to the tax office.

Calculation of estimated current tax and tax payable of subsidiaries is as follows:

	2014 Rp	2013 Rp
Estimated Income Tax - Subsidiaries	**702,767,803,760**	**724,508,086,578**
Current Tax Expenses - Non-Final	162,224,285,978	138,215,844,158
Tax Credit	(62,005,152,503)	(71,065,232,506)
Income Tax Payable Article 29 - Current Year	100,219,133,475	67,150,611,652
Income Tax Payable Article 29 - Prior Year	12,757,900,518	--
Income Tax Payable Article 29 - Subsidiaries	**112,977,033,993**	**67,150,611,652**
Prepaid Income Tax Article 28.a - Subsidiaries	**(6,991,456,142)**	**--**

The reconciliation between the Company's tax expense and the multiplication of the consolidated profit before income tax with the prevailing tax rate is as follows:

	2014 Rp	2013 Rp
Profit before Tax as Presented in		
the Consolidated Statements of Comprehensive Income	3,694,978,541,909	1,924,830,226,980
Deduct:		
Income of Subsidiaries	(4,352,337,850,075)	(2,136,306,863,838)
Profit before Tax from Sale of Land and Buildings		
Subject to Final Tax	784,951,767,641	298,793,542,429
Rental Income Subject to Final Tax	(64,956,175,641)	(27,073,396,893)
The Company's Commercial Profit - Net	62,636,283,834	60,243,508,678
Income Tax Expense at Effective Tax Rate 25%	15,659,070,959	15,060,877,170
Interest Income Subject to Final Tax	(167,594,229)	(5,008,189,705)
Donation and Representation	95,567,943	94,720,507
Fiscal Loss Before Compensation	--	(8,229,374,690)
Correction on Final Tax Expense of the Company	12,636,647,110	--
Company Final Tax Expenses	7,675,691,277	4,058,987,507
Total Tax Expense of the Company	**35,899,383,060**	**5,977,020,789**
Tax Expense of the Subsidiaries		
Deferred Tax	(3,114,603,975)	24,173,051,049
Current Tax	162,224,285,978	138,215,844,158
Final Tax Expense	364,753,566,219	163,973,096,288
Total Tax Expense of the Subsidiaries	523,863,248,222	326,361,991,495
Total Tax Expense	**559,762,631,282**	**332,339,012,284**

b. Deferred Tax Asset and Liabilities

Details of the Group's deferred tax assets and liabilities are as follows:

	January 1, 2014 Rp	Charged (Credited) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	December 31, 2014 Rp
The Company				
Amortization of Deferred Income from Sale and Lease Back Transactions	14,501,478,001	(1,825,861,686)	--	12,675,616,315
Estimated Long-term Employee Benefits Liabilities	9,204,139,494	161,625,115	--	9,365,764,609
Allowance Impairment in Value	2,965,626,608	--	--	2,965,626,608
Depreciation	(10,501,909,067)	(1,164,907,584)	--	(11,666,816,651)
	16,169,335,036	(2,829,144,155)	--	13,340,190,881
Subsidiaries	34,194,193,287	4,645,279,868	76,024,196	38,915,497,351
Deferred Tax Assets	**50,363,528,322**	**1,816,135,713**	**76,024,196**	**52,255,688,231**
Subsidiaries				
Deferred Tax Liabilities	**11,983,104,371**	**1,530,675,893**	**14,634,088,702**	**28,147,868,966**

	January 1, 2013 Rp	Charged (Credited) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	December 31, 2013 Rp
The Company				
Amortization of Deferred Income from Sale and Lease Back Transactions	16,327,339,687	(1,825,861,686)	--	14,501,478,001
Estimated Long-term Employee Benefits Liabilities	8,136,790,871	1,067,348,623	--	9,204,139,494
Allowance Impairment in Value	2,965,626,608	--	--	2,965,626,608
Depreciation	(9,342,388,848)	(1,159,520,219)	--	(10,501,909,067)
	18,087,368,318	(1,918,033,283)	--	16,169,335,036
Subsidiaries	58,367,244,335	(24,173,051,049)	--	34,194,193,287
Deferred Tax Assets	**76,454,612,653**	**(26,091,084,331)**	**--**	**50,363,528,322**
Subsidiaries				
Deferred Tax Liabilities	**6,653,250,000**	**--**	**5,329,854,371**	**11,983,104,371**

Management believes that the deferred tax assets can be recovered through future taxable profits in the future.

c. Prepaid Taxes

	2014 Rp	2013 Rp
Income Taxes		
Article 21	2,344,514	--
Article 4 (2)	404,201,707,819	382,267,883,122
Article 22	296,725,405	260,743,240
Article 25	--	8,556,225,332
Article 28. a	6,991,456,142	--
Value Added Tax	209,977,210,971	184,968,606,737
Total	**621,469,444,851**	**576,053,458,431**

d. Taxes Payable

	2014 Rp	2013 Rp
Income Taxes		
Final	184,916,278,400	112,772,880,835
Article 21	24,287,992,522	19,079,056,965
Article 26	15,989,757	7,891,198,542
Article 29	125,377,715,893	67,150,611,652
Value Added Tax	309,217,624,885	41,907,332,951
Hotel and Restaurant Tax	2,832,043,246	4,188,942,866
Entertainment Tax	581,824,479	607,121,643
Total	**647,229,469,182**	**253,597,145,454**

In 2014, Company received Underpayment of Tax Assessment Letters (SKPKB) and Tax Invoices (STP) for Income Tax Article 29, Article 4 (2) and value added tax amounting to Rp247,492,702, Rp3,725,674,898 and Rp2,127,750,033, respectively, for fiscal year 2009. The Company also received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 (2), value added tax and value added tax for luxury goods amounting to Rp197,897,049, Rp500,000, Rp12,389,154,408, Rp288,519,029, Rp606,631,800 and Rp2,831,617,071, respectively, for fiscal year 2010.

In 2014, PT Surya Mitra Jaya (SMJ), a subsidiary, received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 paragraph 2 and value added tax amounting to Rp2,499,455, Rp17,852,948, Rp705,899,115, Rp6,797,492,075 and Rp15,813,436,974, respectively, for fiscal year 2011. SMJ also received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp5,998,021, Rp14,679,962, Rp495,377,120, Rp1,798,033,100 and Rp4,409,530,584, respectively, for fiscal year 2012.

In 2014, PT Jagat Pertala Nusantara (JPN), a subsidiary, received SKPKB and STP for Income Tax Article 29 and Article 4 (2) amounting to Rp468,307,150 and Rp2,499,646,000, respectively, for fiscal year 2011. JPN also received SKPKB and STP for Income Tax Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp514,353, Rp1,257,331,142, Rp3,769,356 and Rp6,799,295, respectively, for fiscal year 2012.

In 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, received SKPKB for Income Tax Article 23, Article 29 and Article 4 (2) amounting to Rp50,129,679, Rp156,628,030 and Rp790.815,540, respectively, for fiscal year 2010. LC also received SKPKB for Income Tax Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp3,785,657, Rp 935,630,248, Rp33,454,941 and Rp1,648,496,820, respectively, for fiscal year 2011. LC also received SKPKB for Income Tax Article 15, Article 23 and Article 4 (2) amounting to Rp1,406,160, Rp 59,389,247, Rp455,720,584 and Rp2,389,523,590, respectively, for fiscal year 2012.

18. Trade Accounts Payable – Third Parties

	2014 Rp	2013 Rp
Supplier	232,404,843,283	129,248,889,293
Contractor	85,793,000,925	202,546,875,818
Doctor Fees	74,649,048,117	63,239,958,115
Others	2,287,063,138	2,712,454,382
Total	**395,133,955,463**	**397,748,177,608**

19. Short-Term Bank Loans

	2014 Rp	2013 Rp
Third Parties		
PT Bank Negara Indonesia (Persero) Tbk	170,000,000,000	--
PT Bank Central Asia Tbk	3,540,195,011	4,927,167,196
PT Bank ICBC Indonesia	--	--
Total	**173,540,195,011**	**4,927,167,196**

PT Bank Negara Indonesia (Persero) Tbk

Based on Credit Agreement No. 44 dated March 29, 2007 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amanded in Approval of Changes in Credit Agreement No (8) 44 dated June, 30, 2014, the Company received the Working Capital Facility (KMK) with maximum loan amounted Rp250,000,000,000. This facility bears an interest of 11.5% per annum and has maturity date on June 12, 2015. As of December 31, 2014, outstanding balance for this facility amounted to Rp170,000,000,000.

Based on Credit Agreement No. 34 dated October 30, 2006 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amanded in Approval of Changes in Credit Agreement No (9) 34 dated June, 30 2014, the Company received the Working Capital Facility (KMK) with maximum loan amounted Rp20,000,000,000. This facility bears an interest of 11,5% per annum and has maturity date on June 12, 2015. As of December 31, 2014, outstanding balance for this facility amounted nil.

Both facilities are secured by 21,940 sqm of land in Lippo Village Residences, Jl. Boulevard Jend, Sudirman, Kelapa Dua Village, Curug District, Tangerang, Banten, with details as follows:

1. One (1) parcel of land with an area of 340 sqm with SHGB No. 3695 dated January 9, 1998 (Certificate due date January 9, 2028) which is registered under the name of Company (see Note 6).
2. One (1) parcel of land with an area of 15,235 sqm with SHGB No. 2866 dated April 4, 1997 (Certificate due date September 24, 2022) which is registered under the name of Company (see Note 6).
3. One (1) parcel of land with an area of 6,365 sqm with SHGB No. 4028 dated August 6, 1998 (Certificate due date August 6, 2028) which is registered under the name of Company (see Note 6).

PT Bank Central Asia Tbk

Based on Credit Agreement No. 1 dated April 1, 2003 which was made in the presence of Yandes Effriady, S.H., a notary in Jambi and Letter of Lending No. 0242/JAM/2010 dated February 3, 2010, amandment credit agreement No. 54. Dated July 19, 2010 which was made in the presence of Hasan S.H., a notary in Jambi, which last renewal letter No. 0134/ADD/119/IV/14 dated April 16, 2014, PT Golden First Atlanta (GFA), a subsidiary, received facility Local Credit (Overdraft) with maximum loan amounted Rp5,000,000,000. This facility bears an interest of 12.5% per annum. Colateral for this facility is as same as for long-term loan (see Note 21).

PT Bank ICBC Indonesia

Based on Credit Agreement No. 85 dated October 25, 2012 which was made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta and last amanded in Amandment Credit Agreement No. 143/ICBC-MK/PTD/X/2011/P4 dated November 5, 2014, the Company received the Credit Facility with maximum loan amounted Rp70,000,000,000. This facility bears an interest of 12% per annum and has maturity date on October 25, 2015. This loan has been fully paid in December 24, 2014. Until the completion of the consolidated financial statements, this facility is still available.

20. Other Current Financial Liabilities

	2014 Rp	2013 Rp
Third Parties		
Unidentified Payments	205,960,812,485	147,810,774,447
Other Payable	201,125,936,118	152,372,969,722
Total	**407,086,748,603**	**300,183,744,169**

Unidentified payments represent receipt of collection have not yet identifiable by the Group.

21. Long-Term Bank Loans

	2014 Rp	2013 Rp
Third Parties		
Bank Pembangunan Daerah Kalimantan Timur	29,993,214,251	35,301,525,492
PT Bank Central Asia Tbk	12,967,725,976	19,451,588,973
PT Bank Bukopin Tbk	--	--
Total	42,960,940,227	54,753,114,465
Current Portion	12,435,856,488	11,792,174,233
Non-Current Portion	**30,525,083,739**	**42,960,940,232**

Bank Pembangunan Daerah Kalimantan Timur
Based on Deed of Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum amount of Rp50,000,000,000 bear of interest rate of 11.5% per annum. This loan was used to funding development of hospitals and paying its loan obtained from PT Bank Mandiri (Persero) Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:
- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Gang Bahagia, Balikpapan which is registered under the name of BDH.
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000.

There is no restrictive financial ratio which should be maintained by BDH.

Loan payments for the current year amounted to Rp5,308,311,241.

PT Bank Central Asia Tbk
Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amended by Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S.H., a notary in Jambi and the latest by Credit Agreement No. 0134/ADD/119/IV/14 dated April 16, 2014, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:
- Local Credit Facility (Current Account) at a maximum amount of Rp5,000,000,000.
- Investment Credit Facility at a maximum amount of Rp32,419,314,946.

Both facilities bear an annual interest rate of 11% and will mature on February 5, 2014 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:
- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary.
- Medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments.

Based on the loan agreement, GFA has to maintain maximum debt to equity ratio of 5.83 times. As of December 31, 2014 and 2013, GFA has complied with the required debt ratio.

Loan payments for the current year amounted to Rp7,870,835,182.

PT Bank Bukopin Tbk
Based on Approval Letter of Restructuring Credit Amandment No. 2330/DKM/III/2011 dated March 8, 2011 and Letter of Respond to Credit Facility Application of PT Rashal Siar Cakra Medika (RSCM) No: 12344/DRPK/XII/2011 dated December 16, 2011, PT Bank Bukopin Tbk agreed to restructure such credit facility as follows:

- Investment Credit Facility amounted to maximum Rp52,000,000,000. This facillity was used to build Asri Hospital.
- Investment Credit Facility ”Interest During Construction” amounted Rp11.925.657.410.
- Investment Credit Facility amounted to maximum Rp6,000,000,000. This facility was used to providing healtcare equipments.
- Working Capital Facility amounted to Rp5,000,000,000.

These loan facilities bear interest rate of 11% per annum and will mature in December 2025.

As of December 18, 2014, RSCM has fully paid this loan amounted to Rp68,202,736,290.

22. Bonds Payable

	2014 Rp	2013 Rp
Nominal (2014: USD803,306,000; 2013: USD653,306,000)	9,993,126,640,000	7,963,146,834,000
Premium - Net	99,639,856,615	104,241,327,497
Bond Issuance Cost - Net	(312,155,200,064)	(319,548,553,605)
Total	**9,780,611,296,551**	**7,747,839,607,892**
Premium (net of discount)	123,373,700,000	120,884,407,499
Less: Accumulated Amortization	(23,733,843,385)	(16,643,080,002)
Unamortized Premium	99,639,856,615	104,241,327,497
Bond Issuance Costs	494,815,141,452	367,743,400,091
Less: Accumulated Amortization	(182,659,941,388)	(48,194,846,486)
Unamortized Bond Issuance Cost	**312,155,200,064**	**319,548,553,605**

The Group initiated several fund raising by issuing bonds to support the business of the Group.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD 250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity period and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD 183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD 270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD 125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will due on April 30, 2015. Payment of interest will be conducted every 6 months. The Company already fully paid this bond dated November 14, 2012 and April 30, 2013, respectively.

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD 150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD 100,000,000 both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity period and will due on May 16, 2019. Payment of interest is conducted every 6 months. As of December 31, 2014 and 2013, accrued interest expense amounted to USD2,138,889 and USD2,138,889 (equivalent to Rp26,607,779,160 and Rp26,070,916,558), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, TC, a subsidiary, issued unsecured bonds with nominal value of USD 273,306,000 in exchange with bond of SC for a nominal value of USD 253,713,000 and paid USD 22,666,000. This bonds bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of December 31, 2014 and 2013, accrued interest expense amounted to USD 2,185,499 and USD 2,185,499 (equivalent to Rp27,187,607,560 and Rp26,639,047,677), respectively.

On January 14, 2013, TC, a subsidiary, issue unsecured bonds with a nominal value of USD 130,000,000 with a fixed interest rate of 6.125% per year and are listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and payment of interest is conducted every 6 months. As of December 31, 2014 and 2013 accrued interest expenses amounted to USD1,039,549 and USD1,039,549 (equivalent to Rp12,931,989,560 and Rp12,671,058,007), respectively.

On April 30, 2013, SC, a subsidiary, had settled the entire balance of the unsecured bond amounting to USD 119,229,000 at a price of 104.5%.

On April 11, 2014, TC, a subsidiary, issue unsecured bonds with a nominal value of USD 150,000,000 with a fixed interest rate of 7% per year and are listed on the Singapore Stock Exchange. The bonds will mature on April 11, 2022 and payment of interest is conducted every 6 months. As of December 31, 2014 accrued interest expenses amounted to USD1,429,167 (equivalent to Rp17,778,837,480).

Interest and borrowing costs capitalized into inventories amounting to Rp575,116,386,833 and Rp459,290,949,723 for the years ended December 31, 2014 and 2013 (see Note 6).

These bonds have been rated BB- by Standard & Poor's and Fitch and Ba3 by Moody's.

The Company has to comply with certain restrictions under bond covenants as stipulated in the Offering Circular.

The Company entered into Non-Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on these foreign currency denominated bonds (see Note 40.d).

23. Long-Term Post-Employment Benefits Liability

Post-Employment Benefits – No Funding Defined Benefit Plan

Group appointed independent actuaries to determine and recognize post-employment liability in accordance with the existing manpower regulations. Post-employment benefits liability as of December 31, 2014 and 2013 was calculated by PT Mega Jasa Aktuaria with reports dated February 9, 2015 and February 17, 2014, respectively. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

Post-employment benefits recognized in the consolidated statements of financial position are as follows:

	2014 Rp	2013 Rp
Present Value of Defined Benefit Obigation	257,671,574,762	181,367,280,459
Unrecognized Actuarial Loss	(28,747,373,900)	(1,956,959,473)
Unrecognized Past Service Cost (Non-Vested)	(468,627,003)	(1,020,541,706)
Obligation from Acquired Subsidiary	100,614,912	5,156,240,000
Adjustment	(10,161,924,517)	4,089,584,355
Total	**218,394,264,254**	**187,635,603,635**

The details of post-employment benefits expense recognized in the consolidated statements of comprehensive income are as follows:

	2014 Rp	2013 Rp
Current Service Cost	36,811,614,330	26,735,963,631
Interest Expense	13,776,781,307	11,645,304,320
Past Service Cost (Non-Vested)	28,771,997	1,815,608,188
Recognized Actuarial Loss	11,850,549,863	(4,304,607,224)
Total	**62,467,717,497**	**35,892,268,915**

Post-employment benefits expense is recorded as part of salaries and employee's benefits expense (see Note 36).

Reconciliation of changes in liabilities recognized in the consolidated statements of financial position is as follow:

	2014 Rp	2013 Rp
Balance on January 1,	187,635,603,635	161,333,982,735
Payment of Employees' Benefits in the Current Year	(23,376,600,578)	(13,552,742,005)
Obligation from Acquired Subsidiary	100,614,912	5,156,240,000
Adjustment	(8,433,071,212)	(1,194,146,010)
Expense During the Year	62,467,717,497	35,892,268,915
Balance on December 31,	**218,394,264,254**	**187,635,603,635**

Reconciliation of changes in present value of defined benefits obligation is as follows:

	2014 Rp	2013 Rp
Present Value of Defined Benefits Obigation in January 1,	181,367,280,459	201,016,264,584
Adjustment of Present Value of Previous Year	(499,110,181)	(6,927,906,313)
Current Service Cost	36,811,614,330	26,735,963,631
Interest Expense	13,776,781,307	11,645,303,320
Benefits Payment	(23,376,600,578)	(13,552,742,005)
Unrecognized Actuarial Gain (Loss)	49,591,609,425	(37,549,602,758)
Present Value of Defined Benefits Obligation as of December 31,	**257,671,574,762**	**181,367,280,459**

Total present value of employee benefits liabilities for the current year and four years period earlier, fair value of asset and deficit of the program are as follows:

	2014 Rp	2013 Rp	2012 Rp	2011 Rp	2010 Rp
Present Value of Defined Benefit Liabilities	257,671,574,762	181,367,280,459	201,016,264,584	148,435,574,952	119,920,794,970
Asset Program	--	--	--	--	--
Deficit of the Program	**257,671,574,762**	**181,367,280,459**	**201,016,264,584**	**148,435,574,952**	**119,920,794,970**
Adjustment Arising on Fair Value Asset Program	--	--	--	--	--

Present value of defined benefit obligation, related current service cost and past service cost has been calculated by independent actuaries using the following assumptions for the years ended December 31, 2014 and 2013:

Interest Rates	8%
Salary Increase Projection Rates	8%
Mortality Rates	Indonesia – II
Permanent Disability Rates	10% x TMI – II
Resignation Rates	1% for ages 18 – 44, 0% for ages 45 – 54

24. Advances from Customers

	2014 Rp	2013 Rp
Third Parties		
Residential Houses and Shophouses	2,297,609,438,130	2,590,061,395,457
Apartment	2,260,978,431,559	1,898,052,607,885
Land Lots	398,062,629,200	639,133,672,287
Shopping Centers	195,711,717,834	194,448,584,843
Total	5,152,362,216,723	5,321,696,260,472
Current Portion	2,456,690,149,393	3,076,033,864,066
Non-Current Portion	**2,695,672,067,330**	**2,245,662,396,406**

Details of the percentage of advances from customer to sales price are as follows:

	2014 Rp	2013 Rp
100%	3,461,924,959,363	3,575,702,238,185
50% - 99%	342,833,885,807	354,101,231,886
20% - 49%	365,433,924,067	377,444,027,682
Bellow 20%	982,169,447,486	1,014,448,762,719
Total	**5,152,362,216,723**	**5,321,696,260,472**

25. Deferred Income

	2014 Rp	2013 Rp
Related Party		
Rent (see Notes 9 and 40.b)	449,839,846,526	561,270,815,716
Third Parties		
Rent	288,452,303,263	242,487,812,199
Others	41,892,708,709	24,816,595,543
Subtotal	330,345,011,972	267,304,407,742
Total Deferred Income	780,184,858,498	828,575,223,458
Current Portion	362,175,439,809	112,750,964,416
Non-Current Portion	**418,009,418,689**	**715,824,259,042**

26. Deferred Gain on Sale and Leaseback Transaction

	2014 Rp	2013 Rp
Acquisition Cost	791,727,059,928	791,727,059,928
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	664,188,293,227	664,188,293,227
Proceeds	2,445,894,179,389	2,445,894,179,389
Less: Gain Credited to the Consolidated Comprehensive Income Statement	70,196,779,840	70,196,779,840
Deferred Gain on Sale and Leaseback Transaction	1,711,509,106,322	1,711,509,106,322
Foreign Exchange Translation	106,411,728,221	112,523,813,862
Accumulated Amortization	(543,380,832,978)	(429,935,140,122)
Deferred Gain on Sale and Leaseback - Net	1,274,540,001,565	1,394,097,780,062
Current Portion	127,287,435,838	119,603,248,421
Non-Current Portion	**1,147,252,565,727**	**1,274,494,531,641**

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 40.b).

27. Capital Stock

The Company stockholders' composition as of December 31, 2014 and 2013 is as follows:

Stockholders	2014 Total Shares	2014 Percentage Ownership (%)	2014 Issued and Fully Paid (Rp)
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800
PT Metropolis Propertindo Utama	1,212,280,000	5.32	121,228,000,000
Tanri Abeng, MBA	150,000	--	15,000,000
Public (each bellow 5%)	17,432,535,211	76.56	1,743,253,521,100
Sub Total	**22,771,585,119**	**100.00**	**2,277,158,511,900**
Treasury Stocks	**306,104,500**		**30,610,450,000**
Total	**23,077,689,619**		**2,307,768,961,900**

Stockholders	2013 Total Shares	2013 Percentage Ownership (%)	2013 Issued and Fully Paid (Rp)
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800
Public (each bellow 5%)	18,644,965,211	81.88	1,864,496,521,100
Sub Total	**22,771,585,119**	**100.00**	**2,277,158,511,900**
Treasury Stocks	**306,104,500**		**30,610,450,000**
Total	**23,077,689,619**		**2,307,768,961,900**

The details acquisition of treasury stock are as follows:

Reporting Period	No. Register Letter to Bapepam - LK	Total Shares	Acquisition Cost (Rp)
2011	005/LK-COS/I/2012 Dated November 15, 2011	96,229,500	61,577,515,000
2012	175/LK-COS/VII/2012 Dated July 13, 2012	209,875,000	154,946,598,794
Total		**306,104,500**	**216,524,113,794**

28. Additional Paid in Capital - Net

	Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
Total	**4,063,148,621,880**

Paid in Capital Excess of Par - Net

	Rp
Rights Issue I	
Paid in Capital Excess of Par - Net on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Subtotal	75,439,569,336
Rights Issue II	
Paid in Capital Excess of Par - Net on Stock on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	477,605,385,137
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	1,927,996,868,067
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	811,394,200,000
Total Paid in Capital Excess of Par - Net	**4,043,613,274,615**

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the business combination exercised under purchase method represents the difference between the highest share price reached during the 90 days period prior to the announcement of the business combination and par value of the Company's issued shares.

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

Difference in Value from Restructuring Transactions between Entities Under Common Control - Net

	Rp
Transaction Before Business Combination	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	(4,677,115,352)
Transaction from Business Combination	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	(85,173,967,500)
Difference in Value	190,663,253,676
Realization	(84,027,724,260)
Net	106,635,529,416

	Rp
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	(265,747,071,500)
Difference in Value	(196,519,120,943)
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	(39,637,690,500)
Difference in Value	159,677,075,500
Realization	(45,581,021,356)
Difference in Value, Net of Realization	114,096,054,144
Net	**19,535,347,265**

Difference in value from the restructuring transaction PT Saptapersada Jagatnusa (SPJN) was incurred during the Company's acquisition of SPJN in 2001.

Difference in value from restructuring transactions between entities under common control from business combination amounting to Rp190,663,253,676, Rp(196,519,120,943) and Rp159,677,075,500, respectively, were incurred from the merger of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta in 2004. The difference was determined from the difference in net asset value of ex-Siloam (including ex-Sumber Waluyo), ex-Lippo Land, and ex-Aryaduta and the nominal value of new shares issued by the Company.

29. Difference in Transactions with Non-Controlling Interest

On November 28, 2014, PT Tunggal Pilar Perkasa, a subsidiary, acquired 20% shares of PT Medika Sarana Traliansia (MST) from Steer Clear Ltd amounted to Rp45.030.000.000. The excess of acquisition cost over the subsidiary's net assets amounted to Rp25,748,354,393 was recorded as difference in transactions with non-controlling interest.

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, made disposal on its investment of 82,500,000 shares in PT Siloam International Hospitals Tbk (SIH) or equivalent to 7.1% of the issued and fully capital stock in SIH with the price of Rp10,400 per share or Rp858,000,000,000. Gain on disposal of investments amounting to Rp741,092,494,948 was recorded as difference in transactions with non-controlling interest.

In 2013, several subsidiaries, acquired ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) of 3,400,000 shares or equivalent to 3.35% of the issued and fully paid shares of GMTD. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp5,645,114,201 was recorded as difference in transactions with non-controlling interest.

On 2 September 2013, PT Nilam Biru Bersinar, entitas anak, made disposal on its investment of 5,900,000 shares in SIH or equivalent to 0.59% of the issued and fully capital stock in SIH. Gain on disposal of investments amounting Rp51,469,368,863 was recorded as difference in transactions with non-controlling interest.

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp45,889,312,357 was recorded as difference in transactions with non-controlling interest.

In 2012, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp7,525,000,000 was recorded as difference in transactions with non-controlling interest.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd from Mappletree LM Pte. Ltd., a third party, and thus the ownership of Peninsula increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp177,677,727,750 was recorded as difference in transactions with non-controlling interest.

The following is the calculation of the difference in transactions with non-controlling interest:

	2014 Rp	2013 Rp
Shares Acquired from Non Controlling Interest		
Acquisition Cost	(343,713,642,857)	(298,683,642,857)
Net Asset Value of Acquired	101,827,714,166	82,546,068,559
Difference from Foreign Currency Translations	(21,105,562,928)	(21,105,562,928)
Sub total	**(262,991,491,619)**	**(237,243,137,226)**
Shares Disposal to Non Controlling Interest		
Purchase Consideration	911,100,000,000	53,100,000,000
Net Assets Disposed	(118,538,136,369)	(1,630,631,317)
Sub total	**792,561,863,631**	**51,469,368,683**
Total	**529,570,372,012**	**(185,773,768,543)**

30. Other Equity Transaction

On September 2, 2013, PT Siloam International Hospitals Tbk (SIH), a subsidiary, issued shares to public through initial public offering of 156,100,000 shares in Indonesia Stock Exchange. On the issuance of such new shares, the ownership of the Group in SIH changed from 100% to 85.99%. Changes in the value of investment before and after the transaction is Rp1,105,101,368,218.

31. Cash Dividend and Reserved Fund

Based on Deed of Extraordinary General Meeting of Stockholders No. 10 dated April 23, 2014 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp320,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2013.

Based on Deed of Extraordinary General Meeting of Stockholders No. 48 dated April 24, 2013 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp270,000,000,000 and increased the reserved fund amounting to Rp1,000,000,000 from retained earnings of 2012.

32. Other Comprehensive Income

	2014 Rp	2013 Rp
Gain from Translations Financial Statements in Foreign Currency	670,172,145,549	552,703,272,840
Gain on Changes in Fair Value of Available-for-Sale Financial Assets	170,197,156,625	425,998,078,104
Total	**840,369,302,174**	**978,701,350,944**

Gain on Changes in Fair Value of Available-for-Sale Financial Assets

	2014 Rp	2013 Rp
Investment FREIT (see Note 5)		
Bridgewater International Ltd	573,756,360,982	375,905,410,056
Bowsprit Capital Corporation Ltd	131,109,596,159	70,913,125,198
PT Menara Tirta Indah	208,205,465,090	70,252,338,760
Investment LMIRT (see Note 5)		
Bridgewater International Ltd	(718,469,860,666)	(122,570,733,824)
LMIRT Management Ltd	(24,404,404,940)	31,497,937,914
Gain on Changes in Fair Value of Available-for-Sale Financial Assets	**170,197,156,625**	**425,998,078,104**

33. Non-Controlling Interests

Details of non-controlling interests in the equity of consolidated subsidiaries as of December 31, 2014 and 2013, are as follows:

	2014 Rp	2013 Rp
PT Lippo Cikarang Tbk	1,223,472,643,690	830,079,502,803
PT Siloam International Hospitals Tbk	353,400,712,481	256,636,945,847
PT Gowa Makassar Tourism Development Tbk	187,692,216,973	137,102,308,674
PT Wahana Usaha Makmur	179,626,610,523	61,090,568,186
PT Darma Sarana Nusa Pratama	37,505,096,914	40,565,751,716
PT Metropolitan Permaisemesta	16,495,708,082	13,938,718,173
PT Pelangi Cahaya Intan Makmur	15,300,553,628	18,908,852,885
Others	27,783,034,090	18,375,592,342
Total	**2,041,276,576,382**	**1,376,698,240,626**

34. Revenues

	2014 Rp	2013 Rp
Urban Development:		
Residential Houses and Shophouses	1,288,007,884,167	852,082,661,223
Land Lots	792,419,241,918	862,405,538,396
Memorial Park	154,312,510,936	134,214,946,955
Asset Enhancements	24,365,707,938	29,716,061,016
Others	3,385,837,313,260	5,288,128,634
Subtotal	5,644,942,658,219	1,883,707,336,224
Large Scale Integrated Development:		
Apartments	1,316,780,787,857	1,097,647,635,950
Asset Enhancements	18,573,230,831	25,147,592,566
Sub Total	1,335,354,018,688	1,122,795,228,516
Retail Malls:		
Asset Enhancements	301,814,592,074	193,271,769,970
Shopping Centres	5,002,190,010	8,552,883,629
Subtotal	306,816,782,084	201,824,653,599

	2014 Rp	2013 Rp
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	745,130,966,397	557,491,595,635
Drugs and Medical Supplies	734,258,430,590	584,672,264,173
Ward Fees	286,678,643,530	199,932,759,295
Hospital Facility	104,826,015,261	72,130,669,241
Operating Theater	80,610,771,450	38,176,762,084
Administration Fees	73,809,842,167	60,925,550,284
Delivery Fees	1,239,777,548	860,233,118
Others	33,769,351,571	26,743,171,507
Outpatient Department		
Medical Support Services and Professional Fees	777,240,395,844	590,120,761,629
Drugs and Medical Supplies	390,739,191,326	298,529,196,482
Hospital Facility	36,017,024,986	21,596,402,810
Registration Fees	33,736,138,851	29,682,969,743
Others	42,736,822,351	22,737,656,915
Subtotal	3,340,793,371,872	2,503,599,992,916
Hospitality and Infrastructure:		
Hotels and Restaurants	293,057,746,657	312,743,171,033
Town Management	201,889,194,894	155,323,914,084
Water and Sewage Treatment	130,432,915,634	113,446,753,049
Recreation and Sports	68,579,335,428	61,136,773,634
Others	27,134,310,000	14,839,940,795
Subtotal	721,093,502,613	657,490,552,595
Property and Portfolio Management:		
Management Fees	306,041,413,531	296,796,672,889
Total Revenues	**11,655,041,747,007**	**6,666,214,436,739**

Management fees revenue represents revenue of shopping centers from management services and as manager of REIT. Revenue from asset enhancement represents revenue from rental of the Company's assets. Sales of Mall Kemang amounted to Rp3,371,771,428,571 to Lippo Malls Indonesia Retail Trust, is 28.93% of the consolidated net revenue for the year ended December 31, 2014. There are no sales above 10% of net revenues for the year ended December 31, 2013.

35. Cost of Sales

	2014 Rp	2013 Rp
Urban Development:		
Residential Houses and Shophouses	535,145,354,479	438,825,984,182
Land Lots	317,425,529,524	350,988,649,691
Memorial Park	28,293,223,900	22,268,690,851
Asset Enhancements	1,527,768,265	22,069,287,193
Others	1,993,498,656,624	1,469,127,809
Subtotal	2,875,890,532,792	835,621,739,726

	2014 Rp	2013 Rp
Large Scale Integrated Development:		
Apartments	622,124,714,562	519,825,454,335
Asset Enhancements	1,669,031,205	15,404,837,946
Subtotal	623,793,745,767	535,230,292,281
Retail Malls:		
Asset Enhancements	4,547,897,815	585,721,722
Shopping Centres	2,008,687,932	2,209,281,444
Subtotal	6,556,585,747	2,795,003,166
Healthcare:		
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	653,494,603,737	510,684,826,365
Drugs and Medical Supplies	460,438,028,755	371,705,835,179
Depreciation	118,051,021,086	96,631,001,394
Clinical Supplies	58,631,395,654	51,242,139,072
Food and Beverages	52,502,661,183	44,936,462,301
Referral Fees	24,937,753,143	26,250,164,720
Repair and Maintenance	7,062,956,240	5,156,945,349
Others	60,263,904,065	37,938,101,202
Outpatient Department		
Professional Fees, Salaries and Employee Benefits	453,472,276,368	337,183,777,951
Drugs and Medical Supplies	325,198,839,748	249,571,199,360
Depreciation	68,296,297,893	53,376,441,231
Clinical Supplies	30,969,518,309	23,940,358,038
Referral Fees	30,359,422,835	9,566,483,079
Repair and Maintenance	4,685,683,102	3,644,388,444
Others	40,366,691,953	23,073,928,027
Subtotal	2,388,731,054,071	1,844,902,051,712
Hospitality and Infrastructure:		
Town Management	155,281,378,967	105,457,745,911
Hotels and Restaurants	103,176,883,692	102,284,466,843
Water and Sewage Treatment	53,351,815,750	35,658,712,617
Recreation and Sports	21,433,100,567	19,348,013,593
Others	15,084,850,037	18,608,221,733
Subtotal	348,328,029,013	281,357,160,697
Property and Portfolio Management:		
Management Fees	14,364,162,798	119,665,262,858
Total Cost of Sales	**6,257,664,110,188**	**3,619,571,510,440**

Cost of sales Urban Development others mainly cost of sales Mall Kemang (see Note 35).

There are no purchases above 10% of net revenues for each year.

36. Operating Expenses

	2014 Rp	2013 Rp
Selling Expenses		
Marketing and Advertising	291,407,255,832	200,565,774,870
Salaries and Employee Benefits	120,726,177,370	54,808,606,150
Management Fees	39,478,439,145	55,593,945,917
Repairs and Maintenance	28,891,084,990	25,993,339,754
Depreciation (see Notes 11 and 12)	19,801,798,252	18,595,264,747
Office Supplies	10,840,334,533	10,470,279,401
Transportation and Accommodation	10,176,612,357	7,527,769,723
Electricity and Water	6,830,996,415	5,335,713,741
Rent - Net	4,882,916,682	3,540,493,418
Others (Each Bellow Rp3 billion)	31,705,414,785	11,024,935,738
Total	564,741,030,361	393,456,123,459
General and Administrative Expenses		
Salaries and Employee Benefits	693,661,812,634	505,752,458,343
Rent - Net	148,558,026,776	61,721,498,936
Electricity and Water	143,839,489,020	123,589,146,309
Depreciation (see Note 12)	140,832,187,049	114,291,899,833
Professional Fees	110,168,319,135	64,546,781,928
Transportation and Accommodation	69,224,978,394	71,058,784,662
Office Supplies	43,835,595,928	38,515,470,733
Repairs and Maintenance	39,502,085,721	40,766,369,458
Communication	23,691,652,462	17,521,304,856
Training and Seminar	19,203,991,328	16,808,104,184
Insurance	14,576,720,402	9,324,001,000
Membership and Subscription Fees	11,250,762,690	17,108,665,881
Others (each bellow Rp5 billion)	97,478,891,696	59,770,593,235
Total	1,555,824,513,235	1,140,775,079,358
Total Operating Expenses	**2,120,565,543,596**	**1,534,231,202,817**

37. Financial Income (Charges) - Net

	2014 Rp	2013 Rp
Interest Income	64,860,824,565	93,717,333,882
Financial Charges	(149,457,449,406)	(113,508,653,324)
Interest Expense	(37,454,092,961)	(6,920,410,262)
Financial Charges - Net	**(122,050,717,802)**	**(26,711,729,704)**

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 3 and 8), Financial charges represent bank charges, using electronic data capture (EDC) machine and interest subsidy on mortgages for houses and apartments (KPR and KPA), while interest expense represents interest on loans (see Notes 19 and 21).

38. Other Income (Expenses) - Net

	2014 Rp	2013 Rp
Other Income		
Increase in Fair Value of Derivative Instruments	214,531,093,095	295,913,516,562
Gain on Foreign Exchange - Net	182,190,664,762	--
Dividend Income	161,495,745,077	195,033,830,606
Penalties	17,174,121,425	20,818,774,443
Gain on Sale of Property and Equipment	478,562,204	55,530,027,004
Gain on Sale and Leaseback	--	17,794,458,980
Others - Net	19,575,792,733	--
Total Other Income	**595,445,979,296**	**585,090,607,595**
Other Expenses		
Amortization Expense	63,467,956,030	50,512,803,804
Loss on Foreign Exchange - Net	--	33,016,385,991
Others - Net	--	70,952,792,304
Total Other Expenses	**63,467,956,030**	**154,481,982,099**

Dividend Income

Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. and PT Menara Tirta Indah, all subsidiaries.

39. Basic Earnings Per Share

The calculation of basic earnings per share is as follows:

	2014	2013
Profit for the Years Attributable to Owners of the Parent Company (Rupiah)	2,547,285,310,439	1,228,230,222,876
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	111.86	53.94

40. Commitments

a. Operational and Management Agreement

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.
- On April 9, 2006, PT Lippo Malls Indonesia (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the years ended December 31, 2014 and 2013 amounted to Rp75,200,000,000 and Rp65,200,000,000, respectively.

- LMIRT Management Ltd (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as a trustee of Lippo-Malls Indonesia Retail Trust (LMIR Trust) effective from the listing date of LMIR Trust (November 14, 2007). Based on the agreement, LMIR TM will provide management services to LMIR Trust, among others, investment strategic and investment as well as divestment recommendations. For such services, LMIR TM shall receive certain compensation as stated in the agreement.

- Group entered into several agreements with contractors for the development of their projects. As of December 31, 2014 and 2013 total outstanding commitment amounted to Rp1,630,000,000,000 and Rp969,000,000,000, respectively. Several of unrealized significant contracts as of December 31, 2014 are as follows:

Subsidiaries	Contractor	Contract Value (Rp billion)	Unrealized Contract Value (Rp billion)
PT Lippo Cikarang Tbk	PT Trilogi Surya Wisesa	286	246
PT Lippo Cikarang Tbk	PT Pembangunan Perumahan (Persero) Tbk	211	148
PT Lippo Cikarang Tbk	PT Lampiri - TSW jo	103	92
PT Mandiri Cipta Gemilang	PT Glenindo Citramandiri	159	66
PT Lippo Cikarang Tbk	PT Cipta Sarana Sukses Abadi	92	59
PT Lippo Cikarang Tbk	PT Karta Jaya Santosa	74	58
PT Lippo Cikarang Tbk	PT Utama Tiga Dihardja	68	57
PT Lippo Cikarang Tbk	PT Yesaya Ekasarana	59	44
PT Bimasakti Jaya Abadi	PT Pembangunan Perumahan (Persero) Tbk	137	43
PT Lippo Cikarang Tbk	PT Griya Indah Mitra Sejahtera	56	40
PT Mandiri Cipta Gemilang	PT Pangkal Multikarya	75	29
PT Mandiri Cipta Gemilang	PT Kone Indo Elevator	41	26
PT Mandiri Cipta Gemilang	PT Pembangunan Perumahan (Persero) Tbk	209	23
PT Titian Semesta Raya	PT Pembangunan Perumahan (Persero) Tbk	85	18
		1,655	**949**

b. Rental Agreements

- Based on Deeds of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono,S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which are owned 100% directly by Lovage International Pte. Ltd., Henley Investments Pte. Ltd., Primerich Investment Pte. Ltd. and Got Pte. Ltd., whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement.

  Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 26).

Rental expense of sale and lease-back transaction for the years ended December 31, 2014 and 2013 amounted to Rp162,545,243,043 and Rp158,725,493,560, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No. 146/2010, PT East Jakarta Medika (EJM), a subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First REIT at the selling price of SGD 33,333,333 and leased back the Property.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from the Company on October 10, 2011, entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist base rent and variable rent. Base rent was determined in the first year and will be adjusted subsequently, while variable rent will be commenced in the second year based on certain precentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subject to 2% penalty plus average lending rate of 3 banks in Singapore.

  As this sale and leaseback transaction met the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 26).

  Rental expense of sale and lease-back transaction for the years ended December 31, 2014 and 2013 amounted to Rp19,376,430,554 and Rp17,299,866,398, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of “Mochtar Riady Comprehensive Cancer Centre” for 15 years. PC is wholly owned by First REIT. The Company shall pay certain amount as stipulated in the agreement.

  Rental expense for the years ended December 31, 2014 and 2013 amounted to Rp134,767,174,483 and Rp128,667,577,185, respectively.

- On January 7, 2012, PT Siloam International Hospitals Tbk (SIH) entered into a lease agreement of building of Siloam Hospital Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years since the grand opening of the hospital and include a rental free period (grace period) for 3 (three) months after the grand opening of the hospital.

  Based on the agreement, Siloam Sriwijaya shall pay a rental fee amounted to Rp3,000,000,000 and increase by Rp500,000,000 in every three years, which will be paid in advance for each period, not later than 10 (ten) day of 1 (first) month of lease period.

  On October 5, 2012, PM entered into transfer of property ownership agreement with PT Karya Pratama Bisma, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement.

  On January 2, 2014, PT RS Siloam Hospital Sumsel entered into a lease agreement of building of Siloam Hospital Palembang (Siloam Sriwijaya) with PT Bisma Pratama Karya. This agreement is valid for 15 years since the business license of the hospital. Business license Siloam Sriwijaya is dated November 6, 2013 an will be expired in one year. Rental expense will be paid quarterly

  For the years ended December 31, 2014, rent expense amonted to Rp2,024,955,226.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of “Hotel Aryaduta and Rumah Sakit Siloam Manado” for 15 years. The Company shall pay certain amount as stipulated in the agreement.

Rental expense for the years ended December 31, 2014 and 2013 amounted to Rp58,800,000,000, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presences of Maria Josefina Grace Kawi Tandiari S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (the property) to PT Bayutama Sukses (BS), where BS is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp467,287,558,000 and the property is leased back.

  Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement for 15 years. The Company shall pay certain amount as stipulated in the agreement.

  Sale and lease-back transaction above meets the classification of an operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 26).

  Rental expense of sale and lease-back transaction above for the years ended December 31, 2014 and 2013 amounted to Rp40,250,000,000, respectively.

- Based on Deed of Sale and Purchase Agreement Nos. 25/2013, 26/2013, 27/2013, 28/2013, 29/2013, 30/2013, and 31/2013 which are all dated May 13, 2013, made in the presence of Ambo Enre, S.H., a notary in Badung, PT Buana Mandiri Selaras (BMS), a subsidiary, sold the land and buildings of Siloam Hospitals Bali (the property) to PT Dasa Graha Jaya (DGJ), where DGJ is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

  Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, the Company entered into a lease agreement for 15 years. The Company will pay a certain amount as stipulated in the agreement.

  Sale and lease back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the diffrence is recognized as deferred gain (see Note 26).

  Rental expense of sale and lease-back transaction for the year ended December 31, 2014 and 2013 amounted to Rp75,504,000,000 and Rp47,805,521,739.

- Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, The Company entered into a lease agreement with PT Perisai Dunia Sejahtera (PDS), the owner of the land and buildings of "TB Simatupang Siloam Hospitals" for 15 years. The Company will pay a certain amount as stipulated in the agreement.

  Rental expense of sale and lease-back transaction above for the year ended December 31, 2014 and 2013 amounted to Rp72,228,000,000 and Rp43,964,869,565, respectilvely.

- In Februari 2005, PT Diagram Healthcare Indonesia (DHI), a subsidiary, entered into a lease agreement on hospital building of Siloam Hospitals Cinere with PT Anadi Sarana Tatahusada. This agreement is valid for 13 years with total rental amount of Rp12,000,000,000.

  Rental expense for the year ended December 31, 2014 and 2013 amounted to Rp1,272,895,508 and Rp1,039,562,172, respectively.

- On May 28, 2014, PT Berlian Cahaya Indah, a subsidiary, entered into a lease agreement on building of Siloam Hospital Purwakarta with PT Metropolis Propertindo Utama. This agreement is valid for 15 years from the date of issuance of the business license of Siloam Purwakarta. Business license Siloam Purwakarta is dated May 14, 2014 an will be expired in one year. Rental expense will be paid quarterly

  For the year ended December 31, 2014, rent expense is nil.

c. Master Agreement between PT Siloam International Hospitals Tbk (SIH), a subsidiary, with PT Metropolis Propertindo Utama (MPU)

On April 30, 2013, SIH entered into a preliminary agreement with MPU which include:

- Sale and purchase of shares of Siloam Hospitals Malang, Siloam Hospitals Salemba and Siloam Hospitals Surabaya Sea Master;
- Right to build properties that will be used as Siloam Hospitals Padang, Siloam Hospitals Bangka Belitung, Siloam Hospitals Semarang Srondol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono, Siloam Hospitals Salemba and Siloam Hospitals Lampung;
- The right to operate and manage Siloam Hospitals Kupang;
- Property lease agreement that will be used as Siloam Hospitals Surabaya Sea Master, Siloam Hospitals Pluit and Siloam Hospitals Cempaka Putih; and
- The agreement to offer certain property to be operated as Siloam Hospitals Purwakarta, Siloam Hospitals Ambon, Siloam Hospitals Lubuk Linggau, Siloam Hospitals Manado Kairagi, Siloam Hospitals Serang and Siloam Hospitals Pekanbaru.

d. Hedging Facility Agreements on Bonds denominated of U.S. Dollar

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD6,620,334 (equivalent Rp82,356,950,691).
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD6,748,840 (equivalent Rp83,955,572,659).
- On June 5, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.18% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD3,796,656 (equivalent Rp47,230,401,368).
- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, United Kingdom branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.125% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD3,434,084 (equivalent Rp42,720,003,672).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 115,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of December 31, 2014, the fair value of this facility amounted to USD17,306,958 (equivalent Rp215,298,559,904).

- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 140,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2014, the fair value of this facility amounted to USD21,866,546 (equivalent Rp272,019,833,836).

- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, United Kingdom branch, amounting to USD 21,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.685% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2014, the fair value of this facility amounted to USD2,766,285 (equivalent Rp34,412,589,717).

- On January 15, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, United Kingdom branch, amounting to USD 97,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.525% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2014, the fair value of this facility amounted to USD13,513,478 (equivalent Rp168,107,661,338).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, United Kingdom branch, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.440% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD6,289,888 (equivalent Rp78,246,208,487).

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 30,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.075% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of December 31, 2014, the fair value of this facility amounted to USD3,966,780 (equivalent Rp49,346,739,784).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.429% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD3,568,098 (equivalent Rp44,387,138,010).

- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.450% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this facility amounted to USD3,200,018 (equivalent Rp39,808,227,944).

- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this derivative instruments amounted to USD3,055,060 (equivalent Rp38,004,948,727).
- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas Singapore branch, amounting to USD 100,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.80% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this derivative instruments amounted to USD6,881,160 (equivalent Rp85,601,629,264).
- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, British branch, amounting to USD 50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this derivative instruments amounted to USD2,779,689 (equivalent Rp34,579,330,224).
- On September 27, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 50,000,000 for spread option between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2014, the fair value of this derivative instruments amounted to USD3,569,087 (equivalent Rp44,399,436,600).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 75,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2014, the fair value of this derivative instruments amounted to USD4,037,071 (equivalent Rp50,221,161,865).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas Singapore branch, amounting to USD 63,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2014, the fair value of this derivative instruments amounted to sebesar USD4,573,106 (equivalent Rp56,889,434,413).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, British branch, amounting to USD 75,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2014, the fair value of this derivative instruments amounted to USD3,396,974 (equivalent Rp42,258,361,930).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD140,000,000 for spread option between Rp11,500 and Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2014, the fair value of this derivative instruments amounted to USD10,428,192 (equivalent Rp129,726,711,752).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co International Plc, British branch, amounting to USD50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2014, the fair value of this derivative instruments amounted to USD2,312,064 (ekuivalen Rp28,762,078,319).

- On April 24, 2014, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International Plc, British branch, amounting to USD50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate 1.20% from notional amount. Premium will be paid every April 11 and October 11. This facility will due on April 11, 2022. As of December 31, 2014, the fair value of this derivative instruments amounted to USD2,346,903 (equivalent Rp29,195,471,030).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD50,000,000 for spread between Rp11,500 and Rp13,500 with an annual premium rate 1.14% from notional amount. Premium will be paid every April 11 and October 11. This facility will due on April 11, 2022. As of December 31, 2014, the fair value of this derivative instruments amounted to USD4,166,989 (equivalent Rp51,837,338,054).

- On May 5, 2014, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD50,000,000 for spread between Rp11,500 and Rp13,500 with an annual premium rate 1.205% from notional amount. Premium will be paid every April 11 and October 11. This facility will due on April 11, 2022. As of December 31, 2014, the fair value of this derivative instruments amounted to USD3,077,695 (equivalent Rp38,286,523,699).

e. Bank Loan Facility Agreement

- Based on Deed of Loan Agreement No. 86 dated October 20, 2010 made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, and has been renewed several times and the latest on December 18, 2013 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P4, PT Lippo Cikarang Tbk, a subsidiary, obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia amounted maximum of Rp30,000,000,000 at the rate of 12% per year. This loan can be used for working capital purposes and will mature on October 25, 2015.

  Loans secured by collateral of a piece land of 38,901 sqm and 85,180 sqm, with the Land Right (HGB) No. 178/Sukaresmi and No. 56/Sukaresmi, both registered under the name of PT Waska Sentana, a subsidiary (see Note 6).

41. Segment Information

	2014 (In Thousand Rupiah)							
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Property and Portfolio Management	Hospitality and Infrastructure	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenues	5,689,566,486	1,335,354,019	306,816,782	3,340,793,372	306,041,414	721,093,503	(44,623,828)	11,655,041,747
Gross Profit	2,813,675,953	711,560,273	300,260,196	952,062,318	291,677,251	372,765,474	(44,623,828)	5,397,377,637
Selling Expenses	(290,456,311)	(87,676,651)	(67,346,631)	(27,260,696)	(77,840,735)	(23,949,786)	9,789,780	(564,741,030)
General and Administrative Expenses	(475,376,196)	(81,013,632)	(30,497,805)	(756,686,409)	(111,967,707)	(135,116,812)	34,834,048	(1,555,824,513)
Interest Income	60,848,535	16,262,176	1,677,702	15,432,527	266,783	1,391,204	(31,018,102)	64,860,825
Interest Expenses	(152,157,551)	(6,186,531)	(647,750)	(55,779,008)	(47,495)	(3,111,310)	31,018,102	(186,911,542)
Other Income (Expenses) - Net	539,736,109	4,445,740	(5,285,747)	(34,262,796)	43,757,572	(16,412,856)	--	531,978,023
Share in the Profit of Associates	929,482	--	--	--	--	7,309,661	--	8,239,143
Profit Before Tax	**2,497,200,020**	**557,391,375**	**198,159,965**	**93,505,937**	**145,845,669**	**202,875,575**	**--**	**3,694,978,541**
Tax Benefit (Expense)								
Current	(387,043,255)	(67,652,312)	(27,320,457)	(35,729,809)	(24,062,789)	(18,239,470)	--	(560,048,092)
Deferred	(5,873,894)	--	(1,286,378)	1,930,645	(480,376)	5,995,463	--	285,460
Profit for the Year	**2,104,282,872**	**489,739,063**	**169,553,130**	**59,706,773**	**121,302,504**	**190,631,567**	**--**	**3,135,215,909**
Profit for the year attributable to:								
Owner of the Parent Company	1,537,552,209	466,592,147	168,623,684	62,568,929	121,316,773	190,631,567	--	2,547,285,309
Non-Controlling Interest	566,730,663	23,146,916	929,446	(2,862,156)	(14,269)	--	--	587,930,600
	2,104,282,872	**489,739,063**	**169,553,130**	**59,706,773**	**121,302,504**	**190,631,567**	**--**	**3,135,215,909**
Segment Assets	22,590,151,301	8,010,801,081	2,125,591,618	2,842,743,551	1,368,658,094	699,991,286	--	37,637,936,932
Investment in Associates	121,640,349	--	--	--	--	1,643,413	--	123,283,762
Total Assets	**22,711,791,650**	**8,010,801,081**	**2,125,591,618**	**2,842,743,551**	**1,368,658,094**	**701,634,699**	**--**	**37,761,220,694**
Segment Liabilities	(14,318,710,549)	(4,238,691,606)	(503,842,378)	(774,603,292)	(58,214,624)	(220,709,202)	--	**(20,114,771,650)**
Capital Expenditures	143,112,204	57,105,930	60,848,059	331,304,899	20,369,690	33,729,051	--	646,469,833
Depreciation	36,554,786	6,130,322	3,450,408	267,121,643	1,603,652	40,165,306	--	355,026,116
Non-Cash Expenses Other than Depreciation	87,997,589	3,099,438	171,264	57,245,891	5,764,942	96,313	--	154,375,437

	2013 (In Thousand Rupiah)							
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Property and Portfolio Management	Hospitality and Infrastructure	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenues	1,896,918,510	1,122,795,229	201,824,654	2,503,599,993	296,796,673	657,490,553	(13,211,175)	6,666,214,437
Gross Profit	1,061,296,772	587,564,936	199,029,650	658,697,941	177,131,410	376,133,392	(13,211,175)	3,046,642,926
Selling Expenses	(179,925,521)	(72,604,598)	(58,412,914)	(25,749,454)	(1,698,380)	(9,086,947)	6,541,217	(340,936,597)
General and Administrative Expenses	(351,231,316)	(40,952,349)	(12,396,741)	(557,015,511)	(98,940,891)	(139,427,756)	6,669,958	(1,193,294,606)
Interest Income	67,652,706	6,379,030	1,380,819	12,021,434	5,403,439	879,906	--	93,717,334
Interest Expenses	(79,046,283)	(14,654,324)	(161,888)	(18,945,083)	(4,525,265)	(3,096,221)	--	(120,429,064)
Other Income (Expenses) - Net	371,678,765	27,511,124	31,516,033	2,751,821	25,591,788	(28,440,906)	--	430,608,625
Share in the Profit of Associates	(16,871,528)	--	--	--	--	25,393,136	--	8,521,608
Profit Before Tax	**873,553,595**	**493,243,819**	**160,954,959**	**71,761,148**	**102,962,101**	**222,354,604**	**--**	**1,924,830,227**
Tax Benefit (Expense)								
Current	(179,575,202)	(57,397,141)	(18,407,151)	(24,241,975)	(17,546,085)	(9,080,374)	--	(306,247,928)
Deferred	(19,947,474)	--	--	2,673,314	(848,426)	(7,968,498)	--	(26,091,084)
Profit for the Year	**674,030,919**	**435,846,678**	**142,547,808**	**50,192,487**	**84,567,590**	**205,305,732**	**--**	**1,592,491,215**
Profit for the year attributable to:								
Owner of the Parent Company	332,690,777	415,499,510	140,296,128	49,870,419	84,567,656	205,305,732	--	1,228,230,223
Non-Controlling Interest	341,340,142	20,347,168	2,251,680	322,068	(66)	--	--	364,260,992
	674,030,919	**435,846,678**	**142,547,808**	**50,192,487**	**84,567,590**	**205,305,732**	**--**	**1,592,491,215**
Segment Assets	18,798,771,510	6,043,948,352	1,646,525,780	2,600,774,537	1,418,771,303	661,139,452	--	31,169,930,934
Investment in Associates	128,842,950	--	--	--	--	1,588,546	--	130,431,496
Total Assets	**18,927,614,460**	**6,043,948,352**	**1,646,525,780**	**2,600,774,537**	**1,418,771,303**	**662,727,998**	**--**	**31,300,362,430**
Segment Liabilities	**12,568,111,643**	**2,988,954,758**	**391,031,818**	**961,782,758**	**62,382,436**	**150,525,712**	**--**	**17,122,789,125**
Capital Expenditures	741,426,016	124,066,610	25,681,730	385,554,742	1,040,703	33,516,603	--	1,311,286,404
Depreciation	42,077,226	5,634,142	1,776,257	202,488,689	1,643,178	34,976,489	--	288,595,981
Non-Cash Expenses Other than Depreciation	22,548,599	35,227	--	35,004,609	2,736,341	26,080,297	--	86,405,073

42. Monetary Asset and Liabilities Denominated in Foreign Currencies

	2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	--	--	1,701,204	--	--	16,028,744,088
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	13,858,862	113,800	222,018,208	188,113	406,259	2,271,269,531,197
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	**(798,915,409)**	**113,800**	**220,268,501**	**188,113**	**406,259**	**(7,856,128,139,397)**

	2013					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	12,863,184	113,800	22,610,315	23,173	168,145	376,713,194,300
Trade Accounts Receivable	3,381,652	--	5,704,505	--	--	96,141,930,368
Other Current Financial Assets	49,950	--	5,813,685	--	--	56,582,999,730
Total Assets	16,294,786	113,800	34,128,505	23,173	168,145	529,438,124,398
Liabilities						
Trade Accounts Payable	--	--	3,516,878	--	--	33,860,501,384
Accrued Expenses	1,373,082	--	780,424	--	--	24,250,418,770
Bonds Payable	653,306,000	--	--	--	--	7,963,146,834,000
Total Liabilities	654,679,082	--	4,297,302	--	--	8,021,257,754,154
Net Assets (Liabilities)	**(638,384,296)**	**113,800**	**29,831,203**	**23,173**	**168,145**	**(7,491,819,629,756)**

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 40.d).

43. Contingencies

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to the Company as defendant regarding the termination of plaintiff's work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 however, the plaintiff's claim is granted through the decision of the High Court of Jakarta No.626/PDT/2009/PT.DKI date June 29, 2010.

  On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court (SC). Then based on the contents of the Decision Notice Relaas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat No.626/PDT/2009/PT.DKI and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000.

  Up to completion date of the consolidated financial statements, SIH is still pursuing remedy reconsideration to the Supreme Court.

- On July 9, 2009, Alfonsus Budi Susanto, SE, MA, the plaintiff, filed a lawsuit to the Company as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta

No. 548/PDT/2010/PT.DKI. On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Up to completion date of the consolidated financial statements, this case is still in process.

- On October 1, 2012, Wahju Indrawan, the plaintiff, filed a lawsuit No. 71/Pdt.G/2012/PN.JBI to PT Golden First Atlanta (GFA), a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff's spouse.

  All claims were declined through decision of District Court Jambi No. 71/Pdt.G/2012/PN.JBI date July 23, 2013 and was upheld on December 18, 2013, through the decision of the High Court of Jambi No. 63/PDT/2013/PT.JBI. On February 5, 2014, the plaintiff filed appeal to the Supreme Court. Up to completion date of the consolidated financial statements, there has been no remained verdict.

- On August 8, 2014, Drs. Akhmad H. Harris, filed a lawsuit to District Court Tangerang PN 470 / Pdt.G / 2014 / PN.TNG against SIH with malpractice suffered by the plaintiff. The value of lawsuit filed by the plaintiffs include material damages amounting to Rp906,231,000 and non-material losses of Rp500,000,000,000. Management believes that the non-material losses lawsuit will be rejected by the court. Up to completion date of the consolidated financial statements, the case is still in process.

- Based on case letter No. 163/Pdt.G/2013/PN.Mks, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is the Convention Defendant and Reconvention Plaintiff of 59,996 sqm land area located in Maccini Sombala Village, Ujung Pandang Municipal. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 207/Pdt.G/2010/PN.Mks Tahun 2010, GMTD is an Intervention Plaintiff of 60,000 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on the case No. 265/Pdt.G/2011/PN.Mks, GMTD is the plaintiff of 68,929 sqm land area located in Mattoangin Village, Mariso District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.

- Based on the case No. 218/Pdt.G/2013/PN.Mks, GMTD is the plaintiff of 21,023.17 sqm land area located in Lette Village, Mariso District, Ujung Pandang Municipal. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 62/G/2013/PTUN.Mks, GMTD is the plaintiff of 17,704 sqm land area located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 57/G.TUN/2013/PT.TUN.Mks Tahun 2013, GMTD is the plaintiff of 19,995 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 342/Pdt.G/2014, GMTD is Plaintiff of 30,376 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the District Court of Makassar.

- Based on the case 293/Pdt.G/2014/PN.Mks, GMTD is the plaintiff of 28,000 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the District Court of Makassar.

- Based on the case No. 324/Pdt.G/2014/PN.Mks, GMTD is the Defendant VI of 5.80 hectares and 3.40 hectares land area, located in ORK Pattukangan Barombong Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the District Court of Makassar.

- Based on the case No. 80/G/2014/PTUN.Mks, GMTD is Intervening Defendant II of 12,700 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the State Administrative Court of Makassar.

- Based on case letter No. 318/Pdt.Bth/2014/PN.Mks, GMTD is Co-Defendant I of 7,613 sqm land area, located in the Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the Makassar District Court.

- Based on the case No. 312/Pdt.G/2013/PN.Mks, GMTD is the Defendant of 20,000 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 318/Pdt.G/2013/PN.Mks, GMTD is the Defendant of 10,000 sqm land area located in Panambungan Mariso District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 218/Pdt.G/2014/PN.Mks, GMTD is the Defendant of 50,800 sqm land area located in Pattukangan Barombong Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the process of examination in the District Court of Makassar.

- Based on the cases No. 57/Pdt.G/2014/PN.Mks, No. 58/Pdt.G/2014/PN.Mks and No. 59/Pdt.G/2014/PN.Mks, GMTD is the Defendant II of 60,100 sqm land area, located in Cape Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, there has been no statement from the plaintiff as the loss party.

- Based on the case No. 144/Pdt.G/2014/PN.Mks and No. 145/Pdt.G/2014/PN.Mks, GMTD is Defendant I of 18,300 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, there has been no statement from the plaintiff as the loss party.

- Based on the case No. 339/Pdt.G/2013/PN.Mks, GMTD is a defendant on a land area of 20,134 sqm, located in the village of Tanjung Merdeka, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 80/G.TUN/2013/PT.TUN.Mks, GMTD is the Defendant of 16,600 sqm land area located in Tanjung Bunga, Mattoangin Village, Mariso District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 64/Pdt.G/2012/PN.Mks, GMTD is the Defendant II of 5,633 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the case No. 219/Pdt.G/2012/PN.Mks, GMTD is the Defendant II of 600 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.

- Based on the cases No129/Pdt.Plw/2010/PN.Mks and No. 228/Pdt.G/2013/PN.Mks, GMTD is the Defendant of 7,335 sqm land area, located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal

44. Financial Instruments and Financial Risk Management

The main financial risks faced by the Group are credit risk, foreign exchange rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

(i) Credit Risk

Credit risk is the risk that the Group will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Group's financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other current financial assets, du from related parties, other non-current financial assets and investment available for sale. The maximum total credit risks exposure is equal to the amount of the respective accounts.

Group manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing banks and financial institutions that they deal with, which includes choosing only the reputable and creditworthy banks and financial institutions.

The following table analyzes the quality of financial assets based on maturity for each financial assets:

	2014					
	Not Yet Due	Overdue				Total
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss						
Derivative	1,787,652,313,287	--	--	--	--	1,787,652,313,287
Loans and Receivables						
Cash and Cash Equivalents	3,529,169,475,504	--	--	--	--	3,529,169,475,504
Trade Accounts Receivable	423,381,742,159	263,864,814,021	76,710,157,153	252,083,632,848	592,658,604,022	1,016,040,346,181
Other Current Financial Assets	827,699,397,938	--	--	--	--	827,699,397,938
Due from Related Parties Non-trade	14,788,363,567	--	--	--	--	14,788,363,567
Other Non-Current Financial Assets	561,596,218,297	--	--	--	--	561,596,218,297
Available-for-Sale						
Others Current Financial Asset	5,502,958,263,108	--	--	--	--	5,502,958,263,108
Others Non-Current Financial Asset	58,329,023,011	--	--	--	--	58,329,023,011
Total Financial Assets	**12,705,574,796,871**	**263,864,814,021**	**76,710,157,153**	**252,083,632,848**	**592,658,604,022**	**13,298,233,400,893**

	2013					
	Not Yet Due	Overdue				Total
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss						
Derivative	1,089,358,745,423	--	--	--	--	1,089,358,745,423
Loans and Receivables						
Cash and Cash Equivalents	1,855,051,780,961	--	--	--	--	1,855,051,780,961
Trade Accounts Receivable	342,416,433,304	213,404,687,766	62,040,508,116	203,876,478,031	479,321,673,913	821,738,107,217
Other Current Financial Assets	585,505,221,003	--	--	--	--	585,505,221,003
Due from Related Parties Non-trade	9,737,396,584	--	--	--	--	9,737,396,584
Other Non-Current Financial Assets	460,469,077,258	--	--	--	--	460,469,077,258
Available-for-Sale						
Others Current Financial Asset	5,109,971,815,786	--	--	--	--	5,109,971,815,786
Others Non-Current Financial Asset	58,329,023,011	--	--	--	--	58,329,023,011
Total Financial Assets	**9,510,839,493,330**	**213,404,687,766**	**62,040,508,116**	**203,876,478,031**	**479,321,673,913**	**9,990,161,167,243**

The Group has provided allowance for impairment on due trade accounts receivable (see Note 4).

Not yet due financial assets which have indication of credit risk are mainly from cash and cash equivalents and accounts receivable

Management is of the opinion that there is no significant credit risk on placements in banks, due to fund placements only to reputable and creditworthy banks.

Management is of the opinion that not yet due accounts receivable have no significant credit risk, because receivables from selling units of property are secured by the related properties, where as the risks exposure are lower than the security, while accounts receivable non-property arisen from customers who has good track record.

(ii) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Group's financial instrument that potentially contain foreign exchange rate risk are cash and cash equivalents, accrued expenses and loans.

To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties (see Note 40.d).

The following tables show total financial assets and liabilities in foreign currencies as of December 31, 2014 and 2013:

	2014					
	Foreign Currencies					Equivalent in Rupiah
	USD	JPY	SGD	EUR	AUD	
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	143,756,626	--	600,438,854	--	--	7,445,667,309,828
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	157,615,488	113,800	820,755,858	188,113	406,259	**9,700,908,096,937**
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	**(655,158,783)**	**113,800**	**819,006,151**	**188,113**	**406,259**	**(426,489,573,657)**

	2013					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	12,863,184	113,800	22,610,315	23,173	168,145	376.713.194.300
Trade Accounts Receivable	3,381,652	--	5,704,505	--	--	96.141.930.368
Other Current Financial Assets	89,372,282	--	542,632,857	--	--	6.313.827.892.494
Other Non-Current Financial Assets	49,950	--	5,813,685	--	--	56.582.999.730
Total Assets	105,667,068	113,800	576,761,362	23,173	168,145	6.843.266.016.892
Liabilities						
Trade Accounts Payable	--	--	3,516,878	--	--	33.860.501.384
Accrued Expenses	1,373,082	--	780,424	--	--	24.250.418.770
Bonds Payable	653,306,000	--	--	--	--	7.963.146.834.000
Total Liabilities	654,679,082	--	4,297,302	--	--	8.021.257.754.154
Net Assets (Liabilities)	**(549,012,014)**	**113,800**	**548,446,542**	**23,173**	**168,145**	**(1.177.991.737.262)**

Sensitivity analysis
A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would increase profit before tax by Rp13,922,888,981 (2013: Rp43,840,784,437).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp200,761,360,798 (2013: Rp31,383,402,097).

The analysis above is based on assumption that Rupiah weakened or strengthened against all of the currencies in the same direction and magnitude, but it may not be necessarily true in reality. The analysis is not determine impact of the effectivity of derivative financial instruments of a hedge.

(iii) Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group did not have interest rate risk mainly because it does not have a loan with a floating interest rate.

(iv) Liquidity Risk
Liquidity risk is a risk when the cash flow position of the Group indicates that the short-tem revenue is not enough to cover the short-term expenditure.

The Group manage this liquidity risk by maintaining an adequate level of cash and cash equivalent to cover Group's commitment in normal operation and regularly evaluates the projected and actual cash flow, as well as maturity date schedule of their financial assets and liabilities.

The following table analyzes the breakdown of financial liabilities based on maturity:

	2014				
	Will Due On			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	395,133,955,463	--	--	--	395,133,955,463
Accrued Expenses	1,125,429,552,800	--	--	--	1,125,429,552,800
Short-Term Post-Employment Benefits Liability	18,383,620,765	--	--	--	18,383,620,765
Other Current Financial Liabilities	--	--	--	407,086,748,603	407,086,748,603
Short-Term Bank Loan	173,540,195,011	--	--	--	173,540,195,011
Long-Term Bank Loan	12,435,856,488	30,525,083,739	--	--	42,960,940,227
Due to Related Parties Non-trade	--	--	--	3,379,278,119	3,379,278,119
Bonds Payable	--	3,096,449,370,671	6,684,161,925,880	--	9,780,611,296,551
Other Long-Term Financial Liabilities	--	--	--	67,387,383,763	67,387,383,763
Total	**1,724,923,180,527**	**3,126,974,454,410**	**6,684,161,925,880**	**477,853,410,485**	**12,013,912,971,302**

	2013				
	Will Due On			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	397,748,177,608	--	--	--	397,748,177,608
Accrued Expenses	551,608,473,508	--	--	--	551,608,473,508
Short-Term Post-Employment Benefits Liability	13,318,752,901	--	--	--	13,318,752,901
Other Current Financial Liabilities	--	--	--	300,183,744,169	300,183,744,169
Short-Term Bank Loan	4,927,167,196	--	--	--	4,927,167,196
Long-Term Bank Loan	11,792,174,233	42,960,940,232	--	--	54,753,114,465
Due to Related Parties Non-trade	--	--	--	3,828,292,119	3,828,292,119
Bonds Payable	--	--	7,747,839,607,892	--	7,747,839,607,892
Other Long-Term Financial Liabilities	--	--	--	50,996,677,731	50,996,677,731
Total	**979,394,745,446**	**42,960,940,232**	**7,747,839,607,892**	**355,008,714,019**	**9,125,204,007,589**

(v) Price Risk

Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Group are exposed to price risk because they own an investment classified as AFS financial assets.

The Group manage this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

<u>Sensitivity analysis</u>
A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain on Changes in Fair Value of Available-for-Sale Financial Assets by Rp55,029,582,631 (2013: Rp51,099,718,149).

<u>Fair Value Estimation</u>
The schedule below presents the carrying amount of the respective categories of financial assets and liabilities :

	2014		2013	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Fair value through profit or loss				
Derivative	1,787,652,313,287	1,787,652,313,287	1,089,358,745,423	1,089,358,745,423
Loans and Receivable				
Cash and Cash Equivalents	3,529,169,475,504	3,529,169,475,504	1,855,051,780,961	1,855,051,780,961
Trade Accounts Receivable	951,103,629,896	951,103,629,896	771,671,659,700	771,671,659,700
Other Current Financial Assets	820,399,687,755	820,399,687,755	579,151,927,041	579,151,927,041
Due from Related Parties Non-trade	14,788,363,567	14,788,363,567	9,737,396,584	9,737,396,584
Other Non-Current Financial Assets	561,596,218,297	561,596,218,297	460,469,077,258	460,469,077,258
Available-for-Sale				
Other Current Financial Assets	5,502,958,263,108	5,502,958,263,108	5,109,971,815,786	5,109,971,815,786
Other Non-Current Financial Assets	58,329,023,011	58,329,023,011	58,329,023,011	58,329,023,011
Total Financial Assets	**13,225,996,974,425**	**13,225,996,974,425**	**9,933,741,425,764**	**9,933,741,425,764**
Financial Liabilities				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	395,133,955,463	395,133,955,463	397,748,177,608	397,748,177,608
Accrued Expenses	1,125,429,552,800	1,125,429,552,800	551,608,473,508	551,608,473,508
Short-Term Post-Employment Benefits Liability	407,086,748,603	407,086,748,603	300,183,744,169	300,183,744,169
Other Current Financial Liabilities	18,383,620,765	18,383,620,765	13,318,752,901	13,318,752,901
Short-Term Bank Loan	173,540,195,011	173,540,195,011	4,927,167,196	4,927,167,196
Long-Term Bank Loan	3,379,278,119	3,379,278,119	3,828,292,119	3,828,292,119
Due to Related Parties Non-trade	30,525,083,739	30,525,083,739	54,753,114,465	54,753,114,465
Bonds Payable	9,780,611,296,551	9,991,818,947,200	7,747,839,607,892	7,640,820,893,622
Other Long-Term Financial Liabilities	67,387,383,763	67,387,383,763	50,996,677,731	46,480,631,284
Total Financial Liabilities	**12,001,477,114,814**	**12,212,684,765,463**	**9,125,204,007,589**	**9,013,669,246,872**

As of December 31, 2014 and 2013, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

The fair value of derivative instruments and other long-term liabilities are estimated using valuation techniques with unobservable input portion (Level 2). The fair value of investments available for sale and bonds payable was quoted in an active market (Level 1).

The fair value hierarchy for financial assets at year end were recorded using their fair value, are as follows:

	2014 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss - Derivative	1,787,652,313,287	--	1,787,652,313,287	--
Available-for-Sale				
Other Current Financial Assets	5,502,958,263,108	5,502,958,263,108	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

	2013 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss - Derivative	1,089,358,745,423	--	1,089,358,745,423	--
Available-for-Sale				
Other Current Financial Assets	5,109,971,815,786	5,109,971,815,786	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

45. Business Combination

Aquisition PT Asiatic Sejahtera Finance (ASF)

On December 20, 2014, PT Sentra Dwimandiri acquired 100% shares of ASF indirectly through PT Manunggal Bumi Sejahtera and PT Sentra Realindo Development from third party, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of ASF:

	Rp
Cash and Cash Equivalents	4,432,838,496
Net Investment - Finance Lease	10,986,778,596
Other Current Financial Assets	16,613,697
Prepaid Taxes	49,230,173
Deffered Tax Asset	76,024,196
Other Non-Current Financial Assets	11,347,800
Acrued Expenses	(53,323,621)
Tax Payable	(9,910,944)
Post-Employment Benefits Liability	(304,096,783)
Net Assets	**15,205,501,610**
Proportion Acquired	100%
Share of Fair Value of Net Assets	15,205,501,610
Goodwill	64,794,498,390
Total Purchase Consideration	**80,000,000,000**

Goodwill arising from the acquisition amounted to Rp64,794,498,390 (see Note 13) which is the result of a subsidiary that support the business and synergies with the Group's core business.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year statement of comprehensive income.

In connection with the acquisition, ASF financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax ASF since date of acquisition which are included in the consolidated statement of comprehensive income for the year ended December 31, 2014 amounted to nil.

Operating revenues and profit from ASF for the year ended December 31, 2014, as if ASF has been consolidated from January 1, 2014 amounted to Rp1,159,063,901.

Aquisition PT Anugerah Bahagia Abadi (ABA)
On May 12, 2014, Company aquired indirect 100% Share ABA from Third Party through PT Wisma Jatim Propertindo and PT Maharama Sakti in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of ABA:

	Rp
Cash and Cash Equivalents	23,493,131
Inventory	596,653,057,314
Prepaid Taxes	49,650,000
Advance	6,770,907,000
Due from Related Parties Non-trade	2,857,325,000
Trade Accounts Payable - Third Parties	(4,421,830,000)
Tax Payables	(4,060,000)
Non-Controling Interest	(116,036,290)
Due to Related Parties Non-trade	(57,917,613,715)
Net Assets	**543,894,892,440**
Proportion Acquired	100%
Share of Fair Value of Net Assets	543,894,892,440
Goodwill	5,791,607,560
Total Purchase Consideration	**549,686,500,000**

Goodwill arising from the acquisition amounted to Rp5,791,607,560 (see Note 13) which is the result of a subsidiary that support the business and synergies with the Group's core business.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year statement of comprehensive income.

In connection with the acquisition, ABA financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and profit before income tax ABA since date of acquisition which are included in the consolidated statement of comprehensive income for the year ended December 31, 2014 amounted to nil.

Operating revenues and profit from ABA for the year ended December 31, 2014, as if ABA has been consolidated from January 1, 2014 is nil.

Acquisition of PT Rashal Siar Cakra Medika (RSCM)
On July 26, 2014, PT Tunggal Pilar Perkasa (TPP) and PT Mahkota Buana Selaras (MBS), acquired 75% and 25%, respectively, ownership in PT Rashal Siar Cakra Medika (RSCM) from third parties, in line with the strategic business expansion plan which supports the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of RSCM:

	Rp
Cash and Cash Equivalents	728,784,434
Trade Accounts Receivable	3,448,662,848
Other Current Financial Assets	1,103,523,414
Inventory	2,262,299,275
Prepaid Tax	3,907,670,574
Prepaid Expenses	142,249,976
Due from Related Parties Non-trade	742,933,125
Property, Plant and Equipment	100,970,760,605
Trade Accounts Payable - Third Parties	(4,598,342,558)
Accrued Expenses	(5,394,701,296)
Tax Payable	(781,249,546)
Other Current Financial Laibilities	(16,609,381,086)
Long-Term Bank Loan	(68,202,736,290)
Deffered Tax Liabilities	(14,634,088,702)
Other Non-Current Financial Liabilities	(72,162,000)
Net Assets	**3,014,222,773**
Proportion Acquired	100%
Share of Fair Value of Net Assets	3,014,222,773
Goodwill	101,776,732,211
Total Purchase Consideration	**104,790,954,984**

Goodwill arising from the acquisition amounted to Rp101,776,732,211 (see Note 13) and represents subsidiary business results that support and synergy with the core business of the Group.

Cost related to the acquisition amounted to Rp1,124,632,854, recorded as acquisition cost.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

In connection with the acquisition, the financial statements of RSCM from the date of acquisition have been consolidated into the financial statements of the Group.

Total revenue and loss before tax of RSCM since the date of acquisition which are included in the consolidated to comprehensive income statement for the year ended December 31, 2014 amounted to Rp36,921,501,108 and Rp489,251,724, respectively.

Total revenue and loss of RSCM for the year ended December 31, 2014, as if RSCM was consolidated since January 1, 2014 amounted to Rp36,921,501,108 and Rp298,135,217, respectively.

Acquisition of PT Medika Sarana Traliansia (MST)
On December 13, 2013, SIH acquired 80% shares of MST indirectly through PT Koridor Usaha Maju from the third party, in line with the strategic business expansion which support the Group's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of MST:

	Rp
Cash and Cash Equivalents	27,436,090,446
Trade Accounts Receivable	10,435,964,113
Other Current Financial Assets	244,157,342
Inventory	5,242,737,740
Prepaid Tax	9,666,551,053
Prepaid Expenses	1,799,222,306
Due from Related Parties Non-trade	52,914,861,030
Property, Plant and Equipment	167,319,345,979
Intangible Assets	77,008,822
Trade Accounts Payable - Third Parties	(682,034,266)
Accrued Expenses	(2,612,701,121)
Tax Payable	(104,609,273)
Deffered Tax Liabilities	(5,329,854,371)
Other Current Financial Liabilities	(8,220,363,189)
Short-Term Portion of Long-Term Liabilities	(137,832,101,689)
Deffered Income	(189,687,581)
Due to Related Parties Non-trade	(40,620,704,669)
Long-Term Loan	(416,164,840)
Net Assets	**79,127,717,832**
Proportion Acquired	80%
Share of Fair Value of Net Assets	63,302,174,266
Goodwill	126,297,825,734
Total Purchase Consideration	**189,600,000,000**

Goodwill arising from the acquisition amounted to Rp126,297,825,734 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

Non-controlling interest is measured by the percentage of the non-controlling ownership of the fair value of the net assets of the MST.

The balance of non-controlling interest of this acquisition is Rp15,825,543,566.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements of MST from the date of acquisition have been consolidated into the financial statements of the Group.

Total revenue and profit before tax of MST since the date of acquisition which are included in the consolidated statement of comprehensive income for the year ended December 31, 2013 amounted to Rp10,345,841,011 and Rp1,776,966,356.

Revenues and profit of MST for the year ended December 31, 2013, the date as if MST had been consolidated from January 1, 2013 amounted to Rp110,929,201,050 and Rp19,093,869,714.

46. Non-Cash Transactions

The following are investing and financing activities which do not affect cash flows:

- As of December 31, 2014, addition of AFS investment in Bridgewater International Ltd, a subsidiary, amounted to SGD45,000,000 (equivalent Rp419,983,000,000) through property sales of Mall Kemang to LMIR Trust.
- As of December 31, 2014, addition of AFS investment from management fee amounted to 4,007,826 unit, 1,056,264 unit and 5,761,962 unit First REIT (equivalent Rp41,443,193,780, Rp11,062,553,461 and Rp70,223,391,500) in Brigdewater International Ltd, PT Menara Tirta Indah and Bowsprit Capital Corporation Ltd, respectively, and addition of AFS investment amounted to 12,427,536 unit of LMIR Trust (equivalent Rp46,133,184,680) in LMIRT Management Ltd.
- As of December 31, 2014, acquisition of subsidiaries through realization of advances amounted to Rp502,400,000,000.
- As of December 31, 2014, payable on the acquisition of subsidiaries amounted to Rp20,366,632,213.
- As of December 31, 2014 and 2013, addition of property and equipment in subsidiaries through realization of advances on purchase of property and equipment amounted to Rp26,847,346,117 and Rp141,582,484,925, respectively.
- As of December 31, 2013, addition of AFS investment in Bridgewater International Ltd, a subsidiary, amounted to SGD 50,000,000 (equivalent Rp387,850,000,000) through property sales of Siloam Hospitals Simatupang to First REIT.
- As of December 31, 2013, addition of AFS investment from management fee amounted to 6,229,582 unit of First REIT (equivalent Rp67,895,054,814) in Bowsprit Capital Corporation Ltd and AFS investment amounted to 14,595,461 unit of LMIR Trust (equivalent Rp64,363,856,915) in LMIRT Management Ltd.
- As of December 31, 2013, share issuance costs of SIH, a subsidiary, which is still outstanding amounted to Rp1,899,274,884.
- As of December 31, 2013, addition of property and equipment in subsidiaries through accrued expenses amounted to Rp36,097,496,473.

47. Capital Management

The objective of capital management is to safeguard the Company's ability as a going concern, maximize the returns to stockholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company regularly reviews and manages the capital structure to ensure that the return to stockholders is optimal, by considering the capital needs in the future and the Company's capital efficiency, profitability in the current period and the future, projected operating cash flows, projected capital expenditures and projected opportunities of strategic investment.

	2014 Rp	2013 Rp
Net Liabilities:		
Total Liabilities	20,114,771,650,490	17,122,789,125,041
Less: Cash and Cash Equivalents	(3,529,169,475,504)	(1,855,051,780,961)
Net Liabilities	16,585,602,174,986	15,267,737,344,080
Total Equity	17,646,449,043,205	14,177,573,305,225
Less: Other Components of Equity	(4,535,852,966,051)	(3,294,262,538,510)
Adjusted Equity	13,110,596,077,154	10,883,310,766,715
Net Liability Ratio to Adjusted Equity	**1.27**	**1.40**

48. Events After Reporting Date

On February 6, 2015, PT Safira Prima Utama and PT Kalimaya Pundi Bumi, both subsidiaries, disposed respectively, 75,300,000 or 6.51% and 17,500,000 or 1.51% of share ownership in PT Siloam International Hospitals Tbk (SIH) at Rp12.250 per share or Rp1,136,800,000,000. Post transaction, Group share ownership in SIH become 70.83%.

49. Recent Development of Financial Accounting Standards (SAK)

The followings New and Interpretations of Financial Accounting Standard are effective on 1 January 2015 to the Group's consolidated financial statements:

- PSAK No. 1 (Revised 2013) “Presentation of financial statements”
- PSAK No. 4 (Revised 2013) “Separate financial statements”
- PSAK No. 15 (Revised 2013) “Investment in associates and joint ventures”
- PSAK No. 24 (Revised 2013) “Employee benefits”
- PSAK No. 46 (Revised 2014) ”Income Tax”
- PSAK No. 48 (Revised 2014) “Asset Impairment”
- PSAK No. 50 (Revised 2014) “Financial Instruments: Presentation”
- PSAK No. 55 (Revised 2014) “Financial Instruments: Recognition and Measurement”
- PSAK No. 60 (Revised 2014) “Financial Instruments: Disclosure”
- PSAK No. 65 “Consolidated financial statements”
- PSAK No. 66 “Joint arrangements”
- PSAK No. 67 “Disclosure of interests in other entities”
- PSAK No. 68 “Fair value measurement”

ISAK which will be effective in the financial year beginning January 1, 2015 is as follow:

- ISAK No. 26 (Revised 2014) “Reassessment of Embedded Derivative”

Early implementation PSAKs and ISAK is not allowed. As at the authorisation date of these consolidated financial statements, the Management is still evaluating the potential impact of the new and revised PSAKs and ISAK.

50. Responsibility and Issuance for the Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the consolidated financial statements. The consolidated financial statements were authorized for issuance by Directors on March 3, 2015.

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