

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**Interim Consolidated Financial Statements  
As of March 31, 2015 (Unaudited) and December 31, 2014 (Audited)  
and For the 3 (Three) Months Period Ended  
March 31, 2015 and 2014 (Unaudited)**



**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

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For the 3 (Three) Months Period Ended  
March 31, 2015 and 2014 (Unaudited)**

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**DIRECTORS' STATEMENT  
ON  
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE 3 (THREE) MONTHS ENDED MARCH 31, 2015**

We the undersigned:

- |  |  |
|--|--|
| 1. Name                                      | : Ketut Budi Wijaya  |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811 |
| Residential Address<br>(as in identity card) | : Jln. Percetakan Negara II/3<br>Johar Baru, Jakarta Pusat.                                  |
| Telephone                                    | : (021)2566 9000   |
| Title  | : President Director   |
| 2. Name                                      | : Ninik Prajitno   |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811 |
| Residential Address<br>(as in identity card) | : Jln. Prisma Block B.3/24<br>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, 28 April 2015

**PT Lippo Karawaci Tbk**

 <b>Ketut Budi Wijaya</b> President Director	 <b>Ninik Prajitno</b> Finance Director
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**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As of March 31, 2015 (Unaudited) and December 31, 2014 (Audited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	March 31, 2015 Rp	December 31, 2014 *) Rp
<b>Current Assets</b>			
Cash and Cash Equivalents	2.c, 2.d, 2.f, 2.x, 3, 9, 42, 44	3,445,222,900,994	3,529,169,475,504
Trade Accounts Receivable	2.x, 2.y, 4, 44		
Third Parties	2.c, 42	1,068,980,450,491	947,553,882,292
Related Parties	2.f, 9	7,191,419,428	3,549,747,604
Other Current Financial Assets	2.c, 2.s, 2.x, 2.y, 5, 40.d, 42, 44	8,986,329,407,426	8,111,010,264,150
Inventories	2.g, 2.l, 2.m, 6	17,201,328,827,362	16,553,035,543,518
Prepaid Taxes	2.u, 17.c	622,972,757,055	621,469,444,851
Prepaid Expenses	2.h, 7, 40.b	219,235,470,476	196,903,364,687
<b>Total Current Assets</b>		<b>31,551,261,233,232</b>	<b>29,962,691,722,606</b>
<b>Non-Current Assets</b>			
Due from Related Parties Non-Trade	2.f, 2.x, 9, 44	13,367,181,333	14,788,363,567
Other Non-Current Financial Assets	2.c, 2.x, 8, 42, 44	621,310,530,558	619,925,241,308
Investment in Associates	2.e, 2.f, 9, 10	163,668,808,631	123,283,762,281
Investment Property	2.i, 2.k, 2.m, 11	316,550,851,294	310,304,754,503
Property and Equipment	2.j, 2.m, 2.y, 12	3,304,063,330,673	3,208,762,510,252
Intangible Assets	2.n, 2.o, 2.y, 13, 45	524,799,791,545	522,577,738,505
Deferred Tax Assets	2.u, 2.y, 17.b	50,055,264,273	52,255,688,231
Advances	14	1,813,101,962,196	1,711,441,680,688
Land for Development	2.g, 15	1,184,344,456,862	1,136,227,496,536
Other Non-Current Non-Financial Assets		98,055,365,831	98,961,735,218
<b>Total Non-Current Assets</b>		<b>8,089,317,543,196</b>	<b>7,798,528,971,089</b>
<b>TOTAL ASSETS</b>		<b>39,640,578,776,428</b>	<b>37,761,220,693,695</b>

\*) Restatement (see Note 48)

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**

As of March 31, 2015 (Unaudited) and December 31, 2014 (Audited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	March 31, 2015 Rp	December 31, 2014 *) Rp
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade Account Payable - Third Parties	2.c, 2.x, 18, 42, 44	411,559,203,260	395,133,955,463
Accrued Expenses	2.c, 2.l, 2.t, 2.x, 16, 42, 44	1,396,574,401,532	1,125,429,552,800
Taxes Payable	2.u, 17.d	202,854,378,596	647,229,469,182
Short-Term Employment Benefits Liabilities	2.f, 2.q, 2.y, 9, 44	14,174,363,987	18,383,620,765
Short-Term Bank Loans	2.x, 19, 44	3,257,058,250	173,540,195,011
Current Portion of Long-Term-Bank Loans	2.x, 21, 44	12,608,621,439	12,435,856,488
Other Current Financial Liabilities	2.x, 20, 42, 44	455,807,508,404	407,086,748,603
Advances from Customers	2.t, 24	3,347,253,212,427	2,456,690,149,393
Deferred Income	2.f, 2.t, 9, 25	357,279,228,282	362,175,439,809
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	129,086,082,001	127,287,435,838
<b>Total Current Liabilities</b>		<b>6,330,454,058,178</b>	<b>5,725,392,423,352</b>
<b>Non-Current Liabilities</b>			
Long-Term Bank Loans	2.x, 21, 44	27,306,597,083	30,525,083,739
Due to Related Parties Non-Trade	2.f, 2.x, 9, 44	4,654,278,119	3,379,278,119
Bond Payable	2.c, 2.p, 2.x, 22, 42, 44	10,288,711,389,232	9,780,611,296,551
Other Non-Current Financial Liabilities	2.x, 44	70,060,687,955	67,387,383,763
Long-Term Employment Benefits Liabilities	2.f, 2.q, 2.y, 9, 23	218,394,264,254	218,394,264,254
Deferred Tax Liabilities	2.u, 2.y, 17.b	26,929,942,797	28,147,868,966
Advance from Customers	2.t, 24	1,619,676,523,848	2,695,672,067,330
Deferred Income	2.f, 2.t, 9, 25	409,324,117,618	418,009,418,689
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	1,131,297,469,914	1,147,252,565,727
<b>Total Non-Current Liabilities</b>		<b>13,796,355,270,820</b>	<b>14,389,379,227,138</b>
<b>Total Liabilities</b>		<b>20,126,809,328,998</b>	<b>20,114,771,650,490</b>
<b>EQUITY</b>			
<b>Equity Attributable to Owner of the Parent Company</b>			
Capital Stock			
Par Value - Rp100			
Authorized Capital - 64,000,000,000 shares			
Issue 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 Transaction with Non-Controlling Interest	2.b, 29	1,574,002,743,576	529,570,372,012
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	48	7,404,957,887,861	6,987,588,504,296
Other Comprehensive Income	2.q, 32, 48	1,129,387,451,873	828,518,752,311
<b>Total Equity Attributable to Owner of the Parent</b>		<b>17,367,842,921,514</b>	<b>15,605,172,466,823</b>
<b>Non-Controlling Interests</b>	2.n, 33	<b>2,145,926,525,916</b>	<b>2,041,276,576,382</b>
<b>Total Equity</b>		<b>19,513,769,447,430</b>	<b>17,646,449,043,205</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>39,640,578,776,428</b>	<b>37,761,220,693,695</b>

\*) Restatement (see Note 48)

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

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES  
INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

For the 3 (Three) Months Period Ended March 31, 2015 and 2014 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2015 (3 Months) Rp	2014 (3 Months) Rp
<b>REVENUES</b>	2.f, 2.t, 2.y, 9, 34	2,447,143,391,222	1,997,718,154,690
Tax Expenses - Final	2.t, 2.u, 17.a	(62,787,793,477)	(50,361,777,146)
<b>REVENUES - NET</b>		<b>2,384,355,597,745</b>	<b>1,947,356,377,544</b>
<b>COST OF SALES</b>	2.t, 35	(1,246,818,116,462)	(1,009,476,306,124)
<b>GROSS PROFIT</b>		<b>1,137,537,481,283</b>	<b>937,880,071,420</b>
Other Income	2.t, 36	87,032,808,295	53,877,766,137
Operating Expenses	2.t, 38	(573,166,663,307)	(475,338,388,992)
Other Expenses	2.t, 38	(23,509,464,753)	(14,279,043,802)
<b>PROFIT FROM OPERATIONS</b>		<b>627,894,161,518</b>	<b>502,140,404,763</b>
Financial Charges - Net	37	(31,284,309,459)	(22,993,987,093)
Share in the Profit of Associates	2.e, 2.f, 10	1,855,492,471	755,546,188
<b>PROFIT BEFORE TAX</b>		<b>598,465,344,530</b>	<b>479,901,963,858</b>
Tax Expenses	2.t, 2.u, 17.a	(37,967,164,005)	(16,494,389,098)
<b>PROFIT FOR THE PERIOD</b>		<b>560,498,180,525</b>	<b>463,407,574,760</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Gain (Loss) from Translation of Financial Statements	2.c, 32	92,471,642,194	(183,023,810,893)
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	2.c, 2.x, 5, 32	208,397,057,367	(85,409,409,432)
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>300,868,699,562</b>	<b>(268,433,220,325)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>861,366,880,087</b>	<b>194,974,354,435</b>
Profit for the Period Attributable to:			
Owner of the Parent		417,369,383,565	339,081,343,973
Non-Controlling Interests	2.b	143,128,796,960	124,326,230,787
		<b>560,498,180,525</b>	<b>463,407,574,760</b>
Total Comprehensive Income for the Period Attributable to:			
Owner of the Parent		718,238,083,127	70,648,123,648
Non-Controlling Interests	2.b	143,128,796,960	124,326,230,787
		<b>861,366,880,087</b>	<b>194,974,354,435</b>
<b>EARNINGS PER SHARE</b>			
Basic, Profit for the Period Attributable to Ordinary Shareholders of the Parent	2.v, 39	18.33	14.89

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**  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the 3 (Three) Months Period Ended March 31, 2015 and 2014 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

Total Equity Attributable to Owner of Parent																	
Notes	Additional Paid-in Capital - Net																
	Issued and Fully Paid Capital Stock Rp	Paid-in Capital Excess of Par - Net Rp	Difference in Value from Restructuring Transaction between Entities Under Common Control-Net Rp	Total Rp	Difference in Transactions with Non-Controlling Interest Rp	Difference in Change in Equity of Subsidiaries Rp	Treasury Stock Rp	Retained Earnings			Other Comprehensive Income			Total Rp	Total Rp	Non-Controlling Interest Rp	Total Rp
								Appropriated Rp	Unappropriated Rp	Total Rp	Translation of Financial Statements Rp	Remeasurement on Defined Benefit Plans Rp	Available for Sale Financial Assets 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)	1,105,101,368,218	(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	12,800,875,064,599	1,376,698,240,626	14,177,573,305,225
<b>Equity Changes in 2014</b>																	
Disposal of Shares in Subsidiary	29	--	--	--	834,280,276,123	(91,711,963,462)	--	--	--	--	--	--	--	--	742,568,312,661	--	742,568,312,661
Total Comprehensive Income for the Period	--	--	--	--	--	--	--	--	339,081,343,973	339,081,343,973	(183,023,810,893)	--	(85,409,409,432)	(268,433,220,325)	70,648,123,648	124,326,230,787	194,974,354,435
BALANCE AS OF MARCH 31, 2014	2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	648,506,507,580	1,013,389,404,756	(216,524,113,794)	7,000,000,000	5,080,533,987,967	5,087,533,987,967	369,679,461,947	--	340,588,668,672	710,268,130,619	13,614,091,500,908	1,501,024,471,413	15,115,115,972,321
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	1,105,101,368,218	(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	15,605,172,466,823	2,041,276,576,382	17,646,449,043,205
Adjustment of PSAK 24 (Revised 2013)	48	--	--	--	--	--	--	--	11,850,549,863	--	--	(11,850,549,863)	--	--	--	--	--
BALANCE AS OF DECEMBER 31, 2014 (After Restatement)	2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	529,570,372,012	1,105,101,368,218	(216,524,113,794)	8,000,000,000	6,979,588,504,296	6,987,588,504,296	670,172,145,549	(11,850,549,863)	170,197,156,625	828,518,752,311	15,605,172,466,823	2,041,276,576,382	17,646,449,043,205
<b>Equity Change in 2015</b>																	
Disposal of Shares in Subsidiary	29	--	--	--	1,000,581,189,869	--	--	--	--	--	--	--	--	--	1,000,581,189,869	20,706,334,268	1,021,287,524,137
Acquisition of Shares in Subsidiary	29	--	--	--	43,851,181,695	--	--	--	--	--	--	--	--	--	43,851,181,695	(59,185,181,695)	(15,334,000,000)
Total Comprehensive Income for the Period	--	--	--	--	--	--	--	--	417,369,383,565	417,369,383,565	92,471,642,194	--	208,397,057,367	300,868,699,562	718,238,063,127	143,128,796,961	861,366,880,087
BALANCE AS OF MARCH 31, 2015	2,307,768,961,900	4,043,613,274,615	19,535,347,265	4,063,148,621,880	1,574,002,743,576	1,105,101,368,218	(216,524,113,794)	8,000,000,000	7,396,957,887,861	7,404,957,887,861	762,643,787,743	(11,850,549,863)	378,594,213,992	1,129,387,451,873	17,367,842,921,514	2,145,926,525,916	19,513,769,447,430

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

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the 3 (Three) Months Period Ended March 31, 2015 and 2014 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (3 Months) Rp	2014 (3 Months) Rp
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collection from Customers	2,134,389,442,260	1,878,979,332,343
Payments to Suppliers	(2,481,048,468,849)	(1,805,166,508,932)
Payments to Employees	(292,991,441,869)	(237,351,025,807)
Interest Received	17,164,157,231	15,373,412,518
Interest Payments	(169,891,665,214)	(126,784,462,086)
Tax Payments	(65,307,961,566)	(174,686,469,908)
Net Cash Used in Operating Activities	<u>(857,685,938,007)</u>	<u>(449,635,721,872)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of Property Equipment	(218,558,044,454)	(119,670,145,105)
Receipt of Dividend	87,124,166,681	63,918,716,734
Receipt of Hotel and Hospital Performance Guarantee	34,500,000,000	34,500,000,000
Acquisition of Investment Property	(10,326,399,315)	(1,119,929,214)
Placement of Restricted Funds	(1,385,289,250)	(10,828,994,042)
Disposal of Share in Subsidiary	1,136,800,000,000	858,000,000,000
Placement of Advances	<u>(101,660,281,508)</u>	<u>(258,189,386,244)</u>
Net Cash Provided by Investing Activities	<u>926,494,152,154</u>	<u>566,610,262,129</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts from (Payment to) Related Parties - net	2,696,182,234	(878,135,143)
Payment of Bank Loan	<u>(173,328,858,464)</u>	<u>(3,045,721,706)</u>
Net Cash Used in Financing Activities	<u>(170,632,676,230)</u>	<u>(3,923,856,849)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(101,824,462,083)	113,050,683,408
Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the period	17,877,887,573	(23,558,748,514)
<b>BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<u>3,529,169,475,504</u>	<u>1,855,051,780,961</u>
<b>ENDING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<u><b>3,445,222,900,994</b></u>	<u><b>1,944,543,715,855</b></u>

Additional information that does not affect the activity of cash flows are presented in Note 46.



**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

As of March 31, 2015 (Unaudited) and December 31, 2014 (Audited) and  
For the 3 (Three) Months Period Ended March 31, 2015 and 2014 (Unaudited)  
(Expressed In Full Rupiah, Unless Otherwise Stated)

**1. General**

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**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, 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.

**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As of March 31, 2015 (Unaudited) and December 31, 2014 (Audited) and  
For the 3 (Three) Months Period Ended March 31, 2015 and 2014 (Unaudited)  
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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/II/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.

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### 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	
						March 31, 2015 Rp	December 31, 2014 Rp
Theta Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	10,970,379,504,659	10,233,632,441,423
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	10,917,665,085,417	10,183,435,340,378
Sigma Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	5,147,630,662	5,061,361,538
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,831,548,960	4,646,411,779
Lippo Karawaci Corporation Pte Ltd**** and Subsidiaries	Singapore	investment, Trading and Services	100.00%	--	--	527,168,068,324	455,785,406,201
LK Reit Management Pte Ltd**** and Subsidiary	Singapore	investment, Trading and Services	--	100.00%	--	527,168,067,832	455,785,415,623
Bowsprit Capital Corporation Ltd****	Singapore	investment, Trading and Services	--	100.00%	2006	527,168,058,324	455,785,406,201
Jesselton Investment Limited*** and Subsidiaries	Malaysia	investment, Trading and Services	100.00%	--	--	441,287,660,889	478,464,512,018
Peninsula Investment Limited*** and Subsidiary	Malaysia	investment, Trading and Services	--	100.00%	--	441,287,673,973	478,464,524,458
LMIRT Management Ltd ****	Singapore	investment, Trading and Services	--	100.00%	2007	441,287,660,889	478,464,512,018
PT Primakreasi Propertindo and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	100.00%	--	--	9,464,920,199,447	7,937,655,412,752
PT Mujur Sakti Graha and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	28,007,332,117	25,546,934,531
PT Surplus Multi Makmur and Subsidiary	Jakarta	Real Estate	--	90.00%	--	47,051,237,444	44,590,731,858
PT Arta Sarana	Bandung	investment, Trading and Services	--	81.00%	--	47,054,873,923	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%	--	635,512,947,956	564,260,253,179
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	21,173,576,173	20,153,684,173
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	6,437,943,888	6,484,801,290
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	9,650,527,380	10,494,851,647
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	114,315,284,910	114,452,874,393
PT Safira Prima Utama (2.15% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	956,137,507,065	125,747,926,689
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--	1,069,437,854,155	877,028,352,524
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,804,386,207	62,859,299,858
PT Graha Solusi Mandiri and Subsidiary	Jakarta	Services	--	100.00%	--	116,208,639,116	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%	--	837,844,023	837,936,902
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	98,087,243,381	80,585,959,945
PT Mandiri Cipta Gemilang and Subsidiaries	Jakarta	Real Estate	--	100.00%	2003	4,789,032,941,305	4,613,658,074,695
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	106,041,995,858	98,312,623,408
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--	127,318,868,546	120,443,039,582
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,473,101,570	2,473,364,010
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	272,421,906,745	244,372,362,940

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	67,519,561,841	29,987,464,604
PT Bimasakti Jaya Abadi and Subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	638,315,795,302	684,601,729,872
PT Kuta Beach Paragon and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	482,138,097,830	468,915,359,383
PT Graha Buana Utama and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	463,083,530,977	449,860,654,085
PT Berkat Langgeng Jaya and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	463,650,352,977	450,427,476,085
PT Pamor Paramita Utama	Badung	Development, Trading and Services	--	87.50%	2013	452,528,622,354	439,900,736,204
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	3,999,011,976	3,999,011,976
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--	353,323,920,530	324,147,004,722
PT Danisa Indah Cipta and Subsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	533,053,189	544,184,929
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	89,067,016	101,389,170
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,743,110,508	3,743,180,248
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,986,362,924	1,996,146,526
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	41,753,714,436	41,753,819,692
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,567,127,259	15,567,249,436
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	29,600,559,841	29,602,681,982
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	2,877,958,594	1,780,260,937
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	586,968,750	587,618,750
PT Lautan Sinar Abadi and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	320,949,840	361,097,840
PT Usahatama Kreatif and Subsidiaries	Tangerang	Development, Trading and Services	--	86.50%	--	418,499,840	458,647,840
PT Kreasi Tunas Bangsa and Subsidiary	Tangerang	Development, Trading and Services	--	87.51%	--	854,250,840	894,398,840
PT Grahata Asri Makmur	Tangerang	Development, Trading and Services	--	87.51%	--	874,999,840	915,147,840
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	584,750,000	584,750,000
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	5,118,102,121	5,118,094,087
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	36,720,570,341	36,716,926,574
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,737,141,840	11,182,399,840

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,326,167,400	2,326,167,400
PT Bumi Arum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--	51,160,168,316	47,017,100,849
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	63,005,000	63,005,000
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	70.00%	--	853,715,089,425	794,563,922,776
PT Jayadipta Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,326,167,400	2,326,167,400
PT Bumi Sindang Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	154,463,197	154,463,197
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	583,814,440	581,980,381
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	--	53,789,559,279	42,633,127,624
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	590,305,179	589,329,126
PT Puri Istana Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Sekawan Dunia Dinamika	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Citra Dwi Anugrah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	522,280,515	530,373,719
PT Pelangi Mutiara Timur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	514,635,830	514,070,812
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	489,117,517	493,549,517
PT Sinar Biru Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Tunggal Mekar Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Bowsprit Asset Management (formerly PT Graha and Dinamika)	Jakarta	Perusahaan Efek	--	100.00%	--	24,029,437,623	24,696,754,836
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	927,798,663	927,629,672
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	31,350,000	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%	--	73,505,000	73,505,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Lumbung Mas Trijaya and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	860,960,175,321	805,675,772,633
PT Karyatama Buana Cemerlang and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	780,959,115,716	745,594,458,836
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	--	720,673,818,840	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%	--	600,000,000	584,000,000
PT Prabu Cipta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	584,000,000
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--	5,981,434,435	5,981,509,435
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	50,513,668,583	50,502,630,728
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,186,618,571	72,186,726,571
PT Suar Lintas Samudra	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	584,000,000
PT Berkat Samiguna Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	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%	--	584,000,000	584,000,000
PT Mitra Samiguna Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	578,025,000	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%	--	600,000,000	600,000,000
PT Manyala Harapan	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	80,542,173,519	80,081,744,189
PT Suar Lintas Benua and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	584,000,000	1,185,000,000
PT BST Kupang Sejahtera <sup>1)</sup>	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mulia Cipta Wibawa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	585,000,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Andromeda Sakti	Tangerang	Development, Trading, Printing Transportation Agriculture Workshops and Services	--	100.00%	--	600,000,000	600,000,000
PT Persada Mandiri Jaya <sup>1)</sup>	Jakarta	Development, Trading, and Services	--	55.00%	--	600,000,000	600,000,000
PT Bandha Mulia Abadi <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,154,825,000	11,154,900,000
PT Dutamas Cakra Tunggal <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Indocitra Mulia Pratama <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Praja Adikara Utama <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pusaka Sumber Artha <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Prima Sentosa Jaya Abadi <sup>1)</sup>	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Indahjaya Sukses Abadi <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mandara Nusa Loka <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Garda Utama Manado <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Cipta Bakti Utama <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Binaman Cipta Mandiri <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentra Dwimandiri and Subsidiaries (1.63% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Real Estate	100.00%	--	--	5,903,632,460,722	5,554,696,500,604
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	6,264,108,920	6,264,108,920
PT Sentra Realindo Development and Subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Improvement	--	100.00%	2001	129,711,522,895	125,456,126,578
PT Dharma Sarana Nusa Pratama and Subsidiary	Tangerang	Real Estate	--	52.70%	1997	83,110,769,628	78,871,020,367
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	5,877,910,962	5,133,315,616
PT Golden Pradamas and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	623,021,293,664	618,852,901,965
PT Mulia Bangun Semesta and Subsidiaries	Tangerang	Real Estate	--	100.00%	2002	664,785,955,077	628,417,382,080
PT Villa Permata Cibodas and Subsidiaries	Tangerang	Real Estate	--	100.00%	1995	195,924,019,527	193,744,121,719
PT Puncak Resort International and Subsidiaries	Cianjur	Real Estate	--	100.00%	1994	75,594,528,697	75,594,996,697
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,671,491,374	22,671,635,374
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	8,803,337,567	8,803,481,567
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,182,242,068	7,182,386,068
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,825,017,812	1,825,161,812
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 <sup>1)</sup>	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bumi Sawarna Indah <sup>1)</sup>	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	390,486,041,205	370,159,105,566

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Sentra Asitama Realty Development and Subsidiaries	Tangerang	Management Water Installation	--	100.00%	1994	209,334,643,008	205,842,879,018
PT Tata Mandiri Daerah Lippo Karawaci and Subsidiary	Tangerang	Town Management	--	100.00%	1999	217,922,409,396	188,838,584,634
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	100.00%	--	20,331,291,033	20,332,287,869
PT Karya Bersama Jaya		Management Water Installation		100.00%	2010	33,220,606,774	30,798,919,227
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,363,861,148	33,367,856,443
PT Saptaparsada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	8,181,752,404	8,288,307,254
PT Sejahtera Selaras	Jakarta	Real Estate	--	100.00%	--	13,151,743,074	13,125,265,493
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,705,576,339	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	1,023,728,194	964,049,979
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	468,398,000	468,506,000
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,554,606,463	2,554,714,463
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	158,364,675	161,033,503
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	7,187,708	7,295,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	6,806,966	6,914,966
PT Manunggal Bumi Sejahtera and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	353,875,884,888	280,259,865,094
PT Asiatic Sejahtera Finance	Tangerang	Development, Trading, Printing and Services	--	100.00%	2009	16,254,853,074	15,572,832,958
PT Paragon City	Padang	Real Estate and Trading	--	100.00%	--	15,698,715,115	15,693,826,615
PT Padang Indah City	Tangerang	Trading Development and Services	--	100.00%	--	17,520,789,828	16,730,973,693
Bridgewater International Ltd***	Seychelles	investment and Trading	--	100.00%	2006	4,704,487,911,625	4,404,916,671,928
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
PT Lippo Karawaci Infrastructure & Utilities Division and Subsidiary	Tangerang	Construction and Services	--	100.00%	--	227,469,000	222,777,677
PT TMD Manado Manajemen <sup>1)</sup>	Tangerang	Management Consulting	--	100.00%	--	10,000,000,000	10,000,000,000
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	96,917,948,979	92,147,606,642
Evodia Strategic Investment Limited***	Malaysia	Investment, Trading and Services	--	100.00%	2014	475,399,995,456	471,099,995,497
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	--	9,856,815,293	8,882,409,080
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	29,811,166,792	19,759,833,203
PT TMD Depok Manajemen	Jakarta	Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentrasemesta Indah Cemerlang <sup>1)</sup>	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%	--	--	4,757,700,420,952	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%	--	3,833,422,225,503	5,695,597,309,696
PT Wahana Usaha Makmur and Subsidiaries	Jakarta	Real Estate	--	100.00%	--	2,348,127,152,987	5,695,540,104,557
PT Almaron Perkasa and Subsidiaries	Jakarta	Real Estate	--	100.00%	2005	2,329,501,576,013	5,681,674,371,674
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	--	1,628,887,735	1,628,887,735
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	100.00%	2013	276,004,785,749	276,004,785,749
PT Prima Aman Sarana	Jakarta	Services	--	100.00%	--	122,866,275,497	116,643,334,519
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	100.00%	--	36,871,026,864	37,200,819,290
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000



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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Lipposindo Abadi and Subsidiaries	Jakarta	Trading	--	100.00%	--	238,252,751,755	238,276,260,624
PT Kemuning Satiatama and Subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,337,943,914	233,361,108,783
PT Megachandra Karyaestari	Jakarta	Trading	--	100.00%	1992*	284,132,612	284,019,258
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	572,366,194	573,438,194
PT Sentrakharisma Indah and Subsidiaries	Jakarta	Services	--	80.00%	--	2,172,553,120	2,173,711,120
PT Carakatama Dirgantara and Subsidiary	Jakarta	Trading	--	100.00%	--	69,611,404,662	69,834,348,222
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	69,589,955,529	69,812,701,335
PT Ariasindo Sejati and Subsidiaries	Jakarta	Trading and Services	--	95.00%	--	188,273,044,086	191,748,810,171
PT Unitech Prima Indah and Subsidiary	Tangerang	Real Estate	--	94.69%	2004	190,795,899,008	192,761,131,922
PT Karya Cipta Pesona	Medan	Accommodation service provider	--	94.69%	2014	73,385,567,941	74,896,938,111
PT Metropolitan Leisure Corporation and Subsidiary	Jakarta	Trading and Services	--	100.00%	--	41,542,848,287	41,557,718,775
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	137,625,674	137,598,822
PT Graha Tata Cemerlang Makasar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	38,641,047,961	38,655,688,284
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	201,928,602	201,928,602
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003	2,561,472,245	2,561,472,245
PT Karunia Persada Raya and Subsidiaries	Tangerang	Trading	--	100.00%	--	77,299,339,376	77,299,339,376
PT Pendopo Niaga	Malang	Real Estate	--	100.00%	2004	77,299,339,376	77,299,339,376
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	20,762,420	20,762,420
PT Bathara Brahma Sakti (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*	4,794,858,067	4,795,177,427
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	349,461,537	349,690,497
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	114,241,327	114,474,044
PT Karunia Alam Damai and Subsidiaries	Jakarta	Trading	--	100.00%	--	199,368,349,477	196,663,052,126
PT Jagatpirtala Nusantara	Depok	Real Estate	--	100.00%	2004	199,368,349,477	196,663,052,126
PT Muliamukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	1,149,000	1,321,000
PT Kemang Village and Subsidiaries	Jakarta	Trading	--	100.00%	--	287,485,952,765	279,875,638,597
PT Menara Bhumimegah and Subsidiaries	Jakarta	Services	--	100.00%	2005	190,778,049,932	189,377,390,443
PT Jaya Usaha Prima and Subsidiary	Jakarta	Real Estate	--	80.00%	--	105,736,408,734	104,335,643,396
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	105,734,436,734	104,333,671,396
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	97,219,568,261	91,009,848,574
PT Menara Perkasa Megah and Subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	476,702,239,900	496,292,902,223
PT Pelangi Cahaya Intan Makmur and Subsidiaries	Surabaya	Trading	--	87.50%	--	387,036,745,311	405,866,682,928
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	--	87.50%	2005	387,086,645,302	405,902,441,099
PT Citra Harapan Baru	Surabaya	Accommodation	--	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, Industry, Agrobusiness, Transportation, Trading and Services	--	100.00%	--	871,579,882,979	779,553,625,206
PT Lippo Malls Indonesia and Subsidiaries	Tangerang	Services	--	100.00%	2002	871,851,892,483	779,806,682,710
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	8,230,395,781	4,186,335,003
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	79,452,591,600	79,453,666,600
PT Mulia Citra Abadi	Yogyakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	2012	387,891,505,600	345,113,361,598
PT Nusa Bahana Semesta <sup>1)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Sky Parking Indonesia <sup>1)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	38,064,729,949	21,000,000,000
PT Sky Parking Nusantara <sup>1)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	38,064,729,949	--
PT Sky Parking Utama <sup>1)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	38,064,728,949	--

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Gayana Sumber Cipta and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	736,150,000	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%	--	10,322,598,200	4,501,044,310
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	578,150,000	578,150,000
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--	586,400,000	586,400,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	9,050,783,762	5,046,378,129
PT Lembayung Karya Niwana	Jakarta	Development, Trading and Services	--	100.00%	--	577,150,000	577,150,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	586,150,000	587,150,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	251,124,223,241	251,058,661,491
PT Prima Pratama Gemilang <sup>2)</sup>	Surabaya	Development, Trading 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%	--	104,577,204,945	102,500,564,787
PT Grand Provita and Subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	471,156,900	473,106,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	5,998,100	7,298,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	14,772,400	16,667,400
PT Anugerah Bahagia Abadi and Subsidiaries	Jakarta	Real Estate	--	100.00%	--	428,486,153,389	426,465,498,672
PT Internusa Prima Abadi and Subsidiary	Jakarta	Real Estate	--	85.00%	--	428,983,202,519	1,013,883,079
PT Bangun Bina Bersama and Subsidiary	Jakarta	Real Estate	--	99.99%	--	428,483,202,518	426,462,547,802
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	100.00%	--	157,702,306,772	117,835,814,312
PT Mahakaya Abadi	Tangerang	Real Estate	--	100.00%	--	478,623,100	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	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%	--	69,231,905,196	69,231,905,196
PT Menara Megah Tunggal and Subsidiary	Jakarta	Real Estate	--	100.00%	--	69,095,997,694	69,095,997,694
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	68,923,453,279	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 and Services	--	100.00%	--	575,175,000	575,175,000
PT Direct Power and Subsidiaries	Bogor	Trading, Real Estate, Industry, Printing, Agrobusiness, Transportation and Services	--	100.00%	2007	125,144,970,494	124,629,800,619
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Development, Industry, Mining, Agrobusiness, Transportation and Services	--	80.00%	--	42,486,654,819	41,971,484,946
PT Bellanova Country Mall	Bogor	Development, Transportation and Services	--	80.00%	2005	42,396,724,819	41,881,554,945
PT Sarana Global Multindo and Subsidiaries	Jakarta	Development, Transportation and Services	--	100.00%	--	543,929,454,977	355,465,506,039
PT Guna Sejahtera Karya and Subsidiaries	Jakarta	Development, Industry, Agrobusiness, Landscape Trading and Services	--	100.00%	--	543,428,257,886	403,656,624,893

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Citra Sentosa Raya and Subsidiaries	Jakarta	Trading, Real Estate, Industry, Agrobusiness, Transportation and Services	--	100.00%	--	543,252,998,710	516,676,784,304
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Agrobusiness, Pertamanan and Services Investment	--	100.00%	--	27,300,259,404	27,300,259,404
Rosenet Limited**** and Subsidiary	British Virgin Island	Investment	--	100.00%	--	541,740,942,501	546,201,825,184
Sea Pejaten Pte. Ltd****	Singapore	Investment	--	100.00%	--	42,467,382,773	546,201,825,184
Continental Investment Limited****	Malaysia	Investment, Trading and Services	--	100.00%	--	27,258,290	25,916,625
PT Sandiego Hills Memorial Park and Subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	511,201,232,261	448,980,687,326
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	68,225,906,669	68,225,906,669
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	582,504,161	582,762,161
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,458,115,000	2,458,223,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services	--	100.00%	--	2,463,727,904	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%	--	1,673,755,537	1,673,963,537
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,748,754,537	1,748,962,537
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%	--	139,750,000	674,251,000
PT Holland Village Manado <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	665,499,000	600,000,000
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	99,250,000	71,000,000
PT Wismacahaya Sentosa Megah <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Ciptaindah Selaras Persada <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Asri Griya Utama <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Cakrawala Semesta Abadi <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sarana Sentosa Propertindo <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bahana Megah Pratama and Subsidiary <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bahana Perisai Abadi <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Puspita Raya <sup>1)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000

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(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Karyaalam Indah Lestari <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Prakarsa Dinamika Unggul <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Setra Bumi Utama <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Taruna Multi Utama <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Tirta Sentosa Dinamika <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Pinus Permai Sejahtera <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Emas Makmur Cemerlang <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Asri Griya Terpadu <sup>2)</sup>	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	50,000,000,000	--
PT Lippo Cikarang Tbk and Subsidiaries	Bekasi	Real Estate	--	54.37%	1989	4,651,253,105,247	4,309,824,234,265
PT Great Jakarta Inti Development and Subsidiary	Bekasi	Town Development Real Estate	--	54.37%	1992	262,886,883,910	166,167,908,743
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	18,747,005,932	18,106,103,848
PT Tunas Pundi Bumi	Bekasi	Town Development	--	54.37%	2010	227,857,003,886	220,879,340,910
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,675,176,569	26,675,274,843
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	609,866,707	574,166,188
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	9,142,528,234	8,905,263,816
PT Chandra Mulia Adhitharma	Bekasi	Property Management	--	54.37%	2011	26,221,008,952	47,947,330,121
PT Tirta Sari Nirmala	Bekasi	Water and Waste Treatment	--	54.37%	2011	80,480,387,752	70,243,590,666
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2011	511,869,181,212	504,659,575,649
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	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%	--	86,708,202,611	85,140,741,861
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services	--	54.37%	--	26,254,831,229	27,801,089,340
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	593,740,517	592,353,788
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	--	18,632,050,396	18,632,125,396
PT Mega Kreasi Teknika	Bekasi	Building Construction	--	54.37%	--	272,843,098	262,498,497
PT Astana Artha Mas	Tangerang	Real Estate	--	54.37%	--	132,914,984,641	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%	--	123,200,000	123,200,000
PT Telaga Banyu Murni and Subsidiary	Tangerang	Real Estate	--	54.37%	--	162,200,000	162,200,000
PT Karimata Alam Damai	Tangerang	Real Estate	--	54.37%	--	41,950,330,000	41,950,330,000
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	--	4,766,558,851	2,979,317,511
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	--	500,000,000	500,000,000
PT Megakreasi Cikarang Asri <sup>1)</sup>	Bekasi	Real Estate	--	40.78%	--	36,200,800,000	33,000,800,000
PT Megakreasi Propertindo Utama <sup>1)</sup>	Bekasi	Real Estate	--	40.78%	--	34,592,127,768	33,000,817,000
PT Megapratama Karya Persada and Subsidiaries	Tangerang	investment, Trading and Services	100.00%	--	--	5,169,339,771,989	5,041,931,170,285
PT Siloam International Hospitals Tbk and Subsidiaries	Tangerang	Healthcare Service	--	78.85%	2010	2,928,318,739,504	2,844,085,512,104
PT Aritasindo Permaisemesta	Jakarta	Trading, Development, Mining, Agriculture	--	78.85%	--	77,033,419	78,124,746
PT Perdana Kencana Mandiri	Jakarta	Land Transport, Printing and Industry	--	78.85%	--	600,000	520,403,206
		Development, Trading, Land Transport, Workshops, Printing, Agriculture, Mining and Services					

# PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	78.85%	--	9,992,167	448,067,441
PT Nusa Medika Perkasa	Jakarta	Healthcare Service,	--	58.00%	--	926,687,462	926,687,462
PT Siloam Graha Utama and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	78.85%	--	135,795,254,296	142,511,589,460
PT East Jakarta Medika	Bekasi	Healthcare Service	--	68.43%	2002	135,776,290,783	142,492,350,947
PT Guchi Kencana Emas and Subsidiary	Jakarta	Development, and Services	--	78.83%	--	83,655,034,202	88,570,503,605
PT Golden First Atlanta	Jambi	Healthcare Service	--	65.43%	2008	83,624,694,933	88,539,839,436
PT Prawira Tata Semesta and Subsidiary	Jakarta	Development, and Services	--	78.85%	--	232,999,796,853	237,404,060,017
PT Balikpapan Damai Husada	Balikpapan	Healthcare Service	--	62.77%	2007	193,781,972,830	198,183,010,595
PT Siloam Emergency Services	Tangerang	Healthcare Service	--	78.85%	--	2,628,574,039	2,624,415,127
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading Industry and Services	--	78.85%	2013	3,163,622,604	2,177,323,630
PT Pancawarna Semesta and Subsidiary	Tangerang	Trading, Industry and Services	--	78.85%	--	70,580,668,964	70,026,074,020
PT Diagram Healthcare Indonesia	Depok	Healthcare Service	--	63.08%	2006	40,023,787,405	39,467,645,852
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	78.85%	--	1,013,561,666	995,085,833
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	78.85%	--	605,108,333	605,403,333
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	78.85%	--	596,858,333	597,340,833
PT Kusuma Primaanda and Subsidiaries	Tangerang	Trading, Industry and Services	--	78.85%	--	107,279,821,710	102,195,707,668
PT Adijaya Buana Sakti and Subsidiaries	Tangerang	Trading, Industry and Services	--	63.08%	--	107,625,170,849	102,188,966,835
PT Siloam Sumsel Kemitraan and Subsidiary	Tangerang	Trading, Industry and Services	--	74.16%	--	8,003,258,670	8,003,625,337
PT RS Siloam Hospital Sumsel	Palembang	Healthcare	--	67.51%	2012	108,600,465,234	103,163,599,553
PT Optimum Karya Persada	Jakarta	Trading Industry and Services	--	78.85%	--	1,015,813,633	1,017,232,500
PT Rosela Indah Cipta	Jakarta	Trading Industry and Services	--	78.85%	--	596,858,333	597,153,333
PT Sembada Karya Megah	Tangerang	Trading Industry and Services	--	78.85%	--	616,859,490	617,340,833
PT Trijaya Makmur Bersama	Tangerang	Trading Industry and Services	--	78.85%	--	596,858,333	597,340,833
PT Visindo Galaxi Jaya	Tangerang	Trading Industry and Services	--	78.85%	--	4,993,058,333	4,993,540,833
PT Tunggal Pilar Perkasa and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	946,339,657,143	902,863,440,805
PT Tirtasari Kencana	Serang	Development, Trading and Services	--	78.85%	--	1,130,176,218	1,130,696,718
PT Gramari Prima Nusa	Medan	Development, Trading, Printing and Services	--	78.85%	--	141,621,151,177	130,585,488,531
PT Krisolis Jaya Mandiri	Kupang	Healthcare	--	78.85%	--	86,828,349,988	69,331,687,626
PT Kusuma Bhakti Anugerah	Tangerang	Trading Industry and Services	--	78.85%	--	7,199,229,621	7,199,648,894
PT Agung Cipta Raya	Tangerang	Healthcare	--	78.85%	--	972,335,000	972,630,000
PT Bina Cipta Semesta	Padang	Healthcare	--	78.85%	--	1,011,008,474	1,012,427,500
PT Mega Buana Bhakti	Pangkal Pinang	Trading Industry and Services	--	78.85%	--	6,031,865,134	5,982,333,520

**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Taruna Perkasa Megah	Yogyakarta	Trading Industry and Services	--	78.85%	--	42,767,967,545	19,014,504,078
PT Tataka Bumi Karya	Bogor	Trading Industry and Services	--	78.85%	--	609,595,931	610,452,500
PT Tataka Karya Indah	Bandung	Trading Industry and Services	--	78.85%	--	833,752,526	837,254,382
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry, and Services	--	78.85%	--	3,270,976,223	3,388,608,668
PT Koridor Usaha Maju and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	477,081,785,302	458,363,437,079
PT Medika Sarana Trailiansia and Subsidiary	Bali	Development, Trading, Printing and Services	--	78.85%	2008	260,708,376,087	256,054,381,752
PT Trisaka Raksa Waluya	Tangerang	Special Healthcare Services and Services	--	78.85%	2008	136,481,887,405	132,992,756,044
PT Buana Utama Sejati <sup>1)</sup>	Tangerang	Services Service	--	78.85%	--	22,411,402,483	16,312,100,196
PT Sentra Sejahtera Utama <sup>1)</sup>	Tangerang	Services Service	--	78.85%	--	600,000,000	600,000,000
PT Berlian Cahaya Indah	Sorong	Services Service	--	78.85%	2008	63,088,355,487	45,004,044,700
PT Rashal Siar Cakra Medika	Jakarta	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	56,979,326,421	53,352,264,266
PT Mulia Pratama Cemerlang <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Karya Pesona Cemerlang <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Indah Kemilau Abadi <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Persada Dunia Semesta <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Inti Pratama Medika <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Sentra Sehat Sejahtera <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000

# PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Genta Raya Internusa <sup>1)</sup>	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Sembilan Raksa Dinamika <sup>1)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Saritama Mandiri Zamrud <sup>1)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera <sup>1)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal <sup>1)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Mahkota Buana Selaras <sup>1)</sup>	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	37,699,143,662	38,623,709,806
PT Bumi Unggul Persada <sup>2)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Lintas Buana Jaya <sup>2)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Bina Bahtera Sehati <sup>2)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Lintas Laksana Utama <sup>2)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Ciptakarya Tirta Cemerlang <sup>2)</sup>	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Eramulia Pratamajaya and Subsidiaries	Jakarta	Healthcare Service	99.99%	0.01%	--	1,077,197,308,577	1,075,613,293,094
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	380,282,611,588	381,154,412,415
PT Siloam Dinamika Perkasa	Jakarta	Trading, Development, Transportation and Services	--	100.00%	--	134,587,515,506	135,440,651,110
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%	--	3,365,842,737	3,365,647,721
PT Sentra Sarana Karya	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	3,365,842,737	3,239,776,633
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%	--	481,866,119,711	489,542,770,676
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining	0.01%	99.99%	--	19,805,000	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 <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000

# PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Waluya Graha Loka <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	32,371,294,065	600,000,000
PT Nusantara Indah Semesta <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	22,997,707,602	600,000,000
PT Magenta Sinar Abadi <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pesona Puspita Gemilang <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Caraka Cipta Sejahtera <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentra Mutiara Timur <sup>1)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Tiara Permata Gemilang <sup>2)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Berkat Talenta Unggul <sup>2)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Laskar Unggulan Prima <sup>2)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentana Prima Jaya <sup>2)</sup>	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Buana Digdaya Sejahtera <sup>2)</sup>	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, Cafe and Catering	--	100.00%	1989	6,759,488,987	5,841,821,996
PT Aryaduta International Management and Subsidiaries	Jakarta	Hotel Management	--	100.00%	1998	14,084,349,416	13,376,094,582
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	588,009,268	588,906,447
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	587,759,000	588,878,000
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	33,864,618,237	22,947,378,366
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	592,553,000	593,327,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	3,629,602,334	3,156,413,733
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	580,621,500	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 <sup>1)</sup>	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 Graha Jaya Pratama and Subsidiaries	Tangerang	Real Estate	100.00%	--	--	1,622,359,865,030	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%	--	1,545,593,150	1,048,135,730
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	16,912,490,111	11,737,065,174
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	23,194,727,925	15,697,407,503
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	22,490,559,460	15,206,784,862
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	16,925,183,975	11,448,214,800
PT Nuansa Indah Lestari and Subsidiaries	Jakarta	Trading	--	100.00%	--	192,830,883,739	142,252,148,482
PT Metropolitan Permaisemesta and Subsidiaries	Jakarta	Trading	--	89.74%	--	196,496,240,839	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%	--	192,337,185,461	138,073,158,204
PT Gowa Makassar Tourism Development Tbk and Subsidiaries	Makassar	Real Estate	4.92%	52.36%	1997	1,549,138,315,288	1,524,317,216,546
PT Kenanga Elok Asri and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	592,263,999,667	580,527,450,840



**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						March 31, 2015 Rp	December 31, 2014 Rp
PT Krisanta Esa Maju	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	100,017,498	99,849,158
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	77.56%	--	589,754,875,796	578,018,813,753
PT Griya Megah Sentosa	Tangerang	Trading, Development, Printing and Services	--	57.28%	--	2,390,307,299	2,389,906,938
PT Griya Eksotika Utama	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	193,797,984	193,879,903

\* Liquidated

\*\* Transferred

\*\*\* Functional Currency is USD

\*\*\*\* Functional Currency is SGD

1) Established in 2014

2) Established in 2015

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, disposed 82,500,000 shares ownership in PT Siloam International Hospitals (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, 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 45).

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 Mahkota Buana Selaras (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 PT Medika Sarana Tranliansia (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.

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.

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**1.d. Board of Commissioners, Directors, Audit Committee and Employees**

Based on the partial decision 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 partial decision 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 composition of the Board of Commissioners and Directors as of March 31, 2015 and December 31, 2014 are as follows:

**Board of Commissioners:**

President Commissioner	: Theo L. Sambuaga
Vice President Commissioner	: Surjadi Soedirdja*
Independent Commissioner	: Tanri Abeng
Independent Commissioner	: Agum Gumelar
Independent Commissioner	: Farid Harianto
Independent Commissioner	: Muladi
Independent Commissioner	: Sutiyoso
Commissioner	: Gouw Viven (Viven G Sitiabudi)
Commissioner	: Benny Haryanto Djie

\* also as Independent Commissioner

The composition of the Directors as of March 31, 2015 and December 31, 2014 are as follows:

**Directors:**

President Director	: Ketut Budi Wijaya
Director	: Tjokro Libianto
Director	: Djoko Harjono*
Director	: Rahmawaty
Director	: Stephen Choo Kooi Yoon
Director	: Ninik Prajitno
Independent Director	: 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 March 31, 2015 and December 31, 2014 are as follows:

**Audit Committee :**

Chairman	: Muladi
Member	: Herbudianto
Member	: Indra Simarta

The Company's corporate secretary as of March 31, 2015 and December 31, 2014 is Jenny Kuistono.

As of March 31, 2015 and December 31, 2014, the Group have 10,939 and 11,129 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

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“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.

New accounting standard or improvement on accounting standard which is relevant to the Group and mandatory for the financial period beginning January 1, 2015 are as follows:

- 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 Benefit
- PSAK No.46 (Revised 2014) : Income Taxes
- PSAK No.48 (Revised 2014) : Impairment of Assets
- 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 : Disclosures
- PSAK No.65 : Consolidated Financial Statements
- PSAK No.66 : Joint Arrangements
- PSAK No.67 : Disclosure of Interests in Other Entities
- ISAK No.26 : Reassessment of Embedded Derivatives

**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.

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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:

	<b>March 31, 2015</b>	<b>December 31, 2014</b>
	<b>Rp</b>	<b>Rp</b>
1 USD	13,084	12,440
1 SGD	9,508	9,422
1 EUR	14,165	15,133
100 JPY	10,895	10,425
1 AUD	10,003	10,218

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 items 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 equivalent 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.

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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 period.

Inventories of hospitality business (e.g., food, beverages and others) are carried at the lower of cost and net 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 period.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. Allowance for inventories using determined based on a review of the condition of the inventories at the end of the period.

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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 mode. 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:

	<u>Year</u>
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

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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 period.

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.

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 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.

The Group as lessors:

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

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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 period.

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".



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- 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 period.

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 Benefit**

The group defined benefit pension plans for all its permanent employees and has calculates and records a provision for post-employment benefits of employees in accordance with the Law Employment No. 13/2003 And PSAK No. 24 (Revised 2013), "Employee Benefits" with retrospective adjustment on gains or losses on actuarial as other comprehensive income. No funding has been set aside for this program.

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.

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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. Difference in Value from Restructuring Transactions between Entities Under Common Control**

The restructuring transactions 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 adjustments of the

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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 period.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

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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 period. 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 liabilities are offset if, and only if, the entity:

- 1) has a legally enforceable right to set off the recognised amount; and
- 2) intends 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 liabilities 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 period.

Diluted EPS accounted for other securities potentially have dilutive effect to ordinary shares which are outstanding during the reporting period.

**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.

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- (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 plus transaction costs and subsequently measured at fair value.

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.

These are initially recognized at fair value including transaction costs and are subsequently measured at amortized cost, using the effective interest rate 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,

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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 period.

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 period.

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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.

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**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 period.



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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 liabilities 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 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 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, Management 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**

Management considerations are needed to determine the amount of deferred tax recognized in the profit or loss and the amount recorded as 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 Lives of Property and Equipment Estimation**

Management makes a periodic review of the useful lives 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).

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**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 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 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).

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**3. Cash and Cash Equivalents**

	March 31 2015 Rp	December 31 2014 Rp
<b>Cash</b>		
(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)	7,463,320,706	6,620,446,207
<b>Bank</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank Permata Tbk	331,922,924,342	237,174,662,552
PT Bank CIMB Niaga Tbk	192,503,087,665	320,481,703,637
PT Bank Negara Indonesia (Persero) Tbk	147,200,360,206	118,442,528,427
PT Bank Central Asia Tbk	66,848,729,674	57,811,715,043
PT Bank Mandiri (Persero) Tbk	35,048,273,971	28,035,605,515
PT Bank Rakyat Indonesia (Persero) Tbk	22,611,210,969	16,645,255,187
PT Bank Mega Tbk	21,075,882,829	16,547,697,141
PT Bank Danamon Indonesia Tbk	10,723,843,071	10,713,599,454
PT Bank Internasional Indonesia Tbk	3,758,611,968	2,986,264,647
PT Bank OCBC NISP Tbk	3,200,923,014	3,841,943,155
PT Bank Tabungan Negara (Persero) Tbk	2,478,595,938	1,951,326,092
Others (Each bellow Rp1 billion)	3,967,321,019	4,392,874,950
<u>Foreign Currency</u>		
PT Bank Negara Indonesia (Persero) Tbk - USD		
USD	18,108,675,176	8,950,532,697
SGD	405,914,530,425	519,085,305,443
BNP Paribas, Singapura		
USD	57,657,503,022	54,895,277,406
SGD	69,256,535,034	71,383,502,267
PT Bank CIMB Niaga Tbk		
USD	20,896,427,893	14,565,105,541
SGD	68,123,301,700	836,974,421,943
OCBC Bank, Singapore - SGD	77,364,490,453	50,950,462,884
PT Bank Permata Tbk - USD		
USD	7,621,053,966	7,412,647,182
SGD	9,524,683,878	9,424,726,727
PT Bank OCBC NISP Tbk		
USD	3,365,616,423	3,231,417,386
SGD	12,673,654,466	358,434,677,891
EUR	88,150,212	94,174,172
PT Bank ANZ Indonesia		
USD	6,421,807,628	9,572,022,812
SGD	1,370,066,397	4,086,002,246
EUR	3,027,493,297	2,679,901,063
Credit Suisse, Singapore - USD	5,175,890,902	--
PT Bank Mega Tbk		
USD	2,657,769,144	2,517,140,451
SGD	2,227,574,554	2,206,932,491
PT Bank Internasional Indonesia Tbk - SGD	3,261,041,435	17,348,651,129
Others (each bellow Rp1 billion)	1,287,899,527	1,719,989,289

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<b>Related Party</b>		
<u>Rupiah</u>		
PT Bank Nationalnobu Tbk	338,441,015,391	347,242,393,752
	<u>1,955,804,945,589</u>	<u>3,141,800,460,572</u>
<b>Time Deposits</b>		
<b>Third Parties</b>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	1,294,628,114,821	126,728,127,142
PT Bank Negara Indonesia (Persero) Tbk	128,646,596,412	97,646,596,412
PT Bank Mega Tbk	3,000,000,000	3,000,000,000
PT Bank Mandiri (Persero) Tbk	6,600,000,000	9,400,530,387
PT Bank Mayapada International Tbk	1,033,988,047	1,033,988,047
Others (each bellow Rp1 billion)	2,172,632,936	2,132,098,630
<u>Foreign Currency</u>		
Credit Suisse, Singapore		
USD	--	4,633,865,666
SGD	45,765,037,622	61,504,402,084
PT Bank CIMB Niaga Tbk - USD	108,264,861	108,264,766
OCBC Bank, Singapore - SGD	--	74,560,695,591
	<u>1,481,954,634,699</u>	<u>380,748,568,725</u>
<b>Total</b>	<b><u>3,445,222,900,994</u></b>	<b><u>3,529,169,475,504</u></b>

Interest rates and maturity period of the time deposits are as follows:

	March 31 2015	December 31 2014
<b>Interest Rates</b>		
Rupiah	3.00% - 6.50%	3.00% - 10.00%
Foreign Currency	0.50% - 3.00%	0.50% - 3.00%
<b>Maturity Period</b>	0 - 3 Months	0 - 3 Months

**4. Trade Accounts Receivable**

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Parties</b>		
Urban Development:		
Land Lots	104,095,457,125	51,067,566,957
Memorial Park	22,951,710,857	22,855,595,423
Residential Houses and Shophouses	30,859,448,714	25,800,187,442
Asset Enhancements	10,742,533,639	39,223,150,633
Others	15,817,747,191	15,817,747,188
Subtotal	<u>184,466,897,526</u>	<u>154,764,247,643</u>

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	March 31 2015 Rp	December 31 2014 Rp
Large Scale Integrated Development:		
Apartments	72,900,726,089	19,182,165,804
Asset Enhancements	4,339,239,387	7,902,398,506
Subtotal	77,239,965,476	27,084,564,310
Retail Malls:		
Asset Enhancements	142,410,601,381	151,884,010,118
Shopping Centers	20,541,137,167	21,207,942,024
Subtotal	162,951,738,548	173,091,952,142
Healthcare:		
Inpatient and Outpatient	480,048,343,375	403,650,789,171
Hospitality and Infrastructure:		
Town Management and Water Treatment	132,587,448,174	132,664,904,503
Hotels and Restaurants	14,596,041,152	13,801,721,957
Recreations and Sports	91,329,551	79,072,403
Others	5,180,767,383	8,478,048,262
Subtotal	152,455,586,260	155,023,747,125
Property and Portfolio Management:		
Management Fees	76,737,748,141	98,875,298,186
Total Trade Accounts Receivable from Third Parties	1,133,900,279,326	1,012,490,598,577
Less: Allowance for Impairment in Value	(64,919,828,835)	(64,936,716,285)
Trade Accounts Receivable from Third Parties - Net	1,068,980,450,491	947,553,882,292
<b>Related Parties</b>		
Healthcare:		
Inpatient and Outpatient	7,191,419,428	3,549,747,604
<b>Total</b>	<b>1,076,171,869,919</b>	<b>951,103,629,896</b>

The movements in allowances for impairment of receivables are as follows:

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Parties</b>		
Beginning Balance	64,936,716,285	50,066,447,517
Addition	--	15,897,116,807
Reversal	(16,887,450)	(1,026,848,039)
<b>Ending Balance</b>	<b>64,919,828,835</b>	<b>64,936,716,285</b>

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 period.

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).

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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**

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Parties</b>		
Available-for-Sale Financial Assets	5,938,077,531,790	5,502,958,263,108
Call Spread Option (See Note 40.d)	2,085,493,819,613	1,787,652,313,287
Other Accounts Receivable	828,075,618,021	675,624,583,321
Dividend Receivable	134,682,438,002	144,775,104,434
<b>Total</b>	<b>8,986,329,407,426</b>	<b>8,111,010,264,150</b>

**Available-for-Sale Financial Assets**

	March 31 2015 Rp	December 31 2014 Rp
<b>At Cost</b>		
Lippo Malls Indonesia Retail Trust (LMIR Trust) (2015: 803,062,456 units; 2014: 807,438,556 units)	3,219,343,278,284	3,272,180,664,720
First REIT (2015: 248,198,801 units; 2014: 246,633,504 units)	1,952,751,490,562	1,956,314,723,620
Foreign Exchange Translation	389,337,860,869	106,215,030,060
Accumulated Unrealized Gain (Loss):		
Charged to Profit or Loss	(1,949,311,917)	(1,949,311,917)
Charged to Other Comprehensive Income	378,594,213,992	170,197,156,625
	376,644,902,075	168,247,844,708
<b>Total</b>	<b>5,938,077,531,790</b>	<b>5,502,958,263,108</b>

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 March 31, 2015 and December 31, 2014 are SGD 1.400 and SGD 1.260, respectively, for First REIT units, and SGD 0.345 and SGD 0.340, respectively, for LMIR Trust units.

**Other Accounts Receivable**

	March 31 2015 Rp	December 31 2014 Rp
PT Kemang Mall Terpadu	326,042,712,381	326,042,712,381
PT Dasa Graha Jaya	2,180,998,860	2,180,998,860
PT Palembangparagon Mall	25,163,567,059	25,163,567,059
PT Bayutama Sukses	23,461,377,900	23,461,377,900
Others	458,693,785,115	306,075,637,304
Subtotal	835,542,441,315	682,924,293,504
Less: Allowance for Impairment in value	(7,466,823,294)	(7,299,710,183)
<b>Total - Net</b>	<b>828,075,618,021</b>	<b>675,624,583,321</b>

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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 39.b).

Receivables from PT Bayutama Sukses arisen from the sale of land and building of Siloam Hospitals Makassar (see Note 39.b).

Receivables from PT Bina Bangun Bersama represents loan for capital expenditures.

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**

	<b>March 31 2015 Rp</b>	<b>December 31 2014 Rp</b>
Urban Development:		
Land under Development	8,715,016,993,973	8,308,155,695,151
Residential Houses and Shophouses	2,147,787,434,400	2,177,171,906,931
Apartments	154,584,023,145	87,142,119,963
Others	8,755,791,827	8,976,074,946
Subtotal	<u>11,026,144,243,345</u>	<u>10,581,445,796,991</u>
Large Scale Integrated Development:		
Apartments	1,404,068,309,097	1,132,228,299,221
Land under Development	1,863,835,194,983	2,062,137,788,218
Shopping Centers	1,408,341,928,933	1,330,357,737,118
Subtotal	<u>4,676,245,433,013</u>	<u>4,524,723,824,557</u>
Retail Malls:		
Shopping Centers	1,167,638,235,850	1,151,698,829,656
Land under Development	216,910,241,103	183,041,252,330
Subtotal	<u>1,384,548,476,953</u>	<u>1,334,740,081,986</u>
Healthcare:		
Medical and Non Medical Supplies	<u>108,083,776,898</u>	<u>105,857,883,964</u>

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	March 31 2015 Rp	December 31 2014 Rp
Hospitality and Infrastructure:		
Hotels and Restaurants	5,381,048,304	5,636,592,465
Recreation and Sports	738,647,471	582,131,842
Others	210,249,178	88,737,396
Less: Allowances Decline in Inventories Value	(23,047,800)	(39,505,683)
Subtotal	6,306,897,153	6,267,956,020
<b>Total - Net</b>	<b>17,201,328,827,362</b>	<b>16,553,035,543,518</b>

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 Rp53,315,653,191 and property and equipment was reclassified to inventory amounting to Rp13.679.733.593 (see Note 12).

Land owned by Company an area of 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, an area of 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 3 (three) months period ended March 31, 2015 and for the year ended December 31, 2014 amounting to Rp386,623,364,357 (include bond interest amounted to Rp164,282,722,504) and Rp897,098,924,229 (include bond interest amounted to Rp575,116,386,833), respectively (see Note 22).

As of March 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 Cibatua 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 Rp712,629,616,486 and Rp595,521,725,597, respectively, for the 3 (three) months period ended March 31, 2015 and 2014.

Management believes there is no indication of change in circumstances that causes a decrease in the value of inventories at March 31, 2015.

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 March 31, 2015 and December 31, 2014, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.



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**7. Prepaid Expenses**

	March 31 2015	December 31 2014
	Rp	Rp
Rental	141,897,668,715	138,391,344,438
Others	77,337,801,761	58,512,020,249
<b>Total</b>	<b>219,235,470,476</b>	<b>196,903,364,687</b>

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 40.b).

**8. Other Non-Current Financial Assets**

	March 31 2015	December 31 2014
	Rp	Rp
Restricted Funds	562,981,507,547	561,596,218,297
Other Investments	58,329,023,011	58,329,023,011
<b>Total</b>	<b>621,310,530,558</b>	<b>619,925,241,308</b>

**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	March 31 2015	December 31 2014
		Rp	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
<b>Total Other Investments</b>		<b>58,329,023,011</b>	<b>58,329,023,011</b>

This account represents investment in shares below 20% of ownership in some companies which do not have quoted stock market prices.

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**9. Transactions and Balances with Related Parties**

The details of the account balances with related parties are as follows:

	March 31 2015 Rp	December 31 2014 Rp	Percentage to Total Assets/ Liabilities	
			March 31 2015 %	December 31 2014 %
<b>Cash and Cash Equivalents</b>				
PT Bank Nationalnobu				
Bank	338,441,015,391	347,242,393,752	0.85	0.92
<b>Total Cash and Cash Equivalents</b>	<b>338,441,015,391</b>	<b>347,242,393,752</b>	<b>0.85</b>	<b>0.92</b>
<b>Trade Accounts Receivable</b>				
Other (below Rp1 billion each)	7,191,419,428	3,549,747,604	0.02	0.01
<b>Investments in Associates</b>				
PT Surya Citra Investama	69,504,608,821	69,504,608,821	0.18	0.18
PT TTL Residences	66,620,250,000	28,031,250,000	0.17	0.07
PT Hyundai Inti Development	14,025,219,075	12,229,173,806	0.04	0.03
PT Anho Biogenesis Prima Indah	4,250,000,000	4,250,000,000	0.01	0.01
Other (below Rp1 billion each)	9,268,730,735	9,268,729,654	0.02	0.02
<b>Total Investments in Associates</b>	<b>163,668,808,631</b>	<b>123,283,762,281</b>	<b>0.41</b>	<b>0.33</b>
<b>Due from Related Parties Non-Trade</b>				
PT Bumi Lemahabang Permai	9,910,889,654	9,910,889,654	0.03	0.03
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.01
Directors, Commisioners and Key Management	6,384,192,128	7,805,374,362	0.02	0.02
Other (below Rp1 billion each)	4,753,601,521	4,753,601,521	0.01	0.01
Total	25,940,618,754	27,361,800,988	0.07	0.07
Less: Allowance for Impairment in Value	(12,573,437,421)	(12,573,437,421)	(0.03)	(0.03)
<b>Total Due from Related Parties Non-Trade - Net</b>	<b>13,367,181,333</b>	<b>14,788,363,567</b>	<b>0.03</b>	<b>0.04</b>
<b>Due to Related Parties Non-Trade</b>				
PT Tirta Graha Sentana	2,215,692,479	2,215,692,479	0.01	0.01
Other (below Rp1 billion each)	2,438,585,640	1,163,585,640	0.01	0.01
<b>Total Due to Related Parties Non-Trade</b>	<b>4,654,278,119</b>	<b>3,379,278,119</b>	<b>0.02</b>	<b>0.02</b>
<b>Deferred Income</b>				
PT Mulia Persada Pertiwi	311,424,324,164	315,477,569,167	1.55	1.57
PT Matahari Putra Prima Tbk	130,457,915,403	134,362,277,359	0.65	0.67
<b>Total Deferred Income</b>	<b>441,882,239,567</b>	<b>449,839,846,526</b>	<b>2.20</b>	<b>2.24</b>
<b>Long-Term Post-Employment Benefits Liability</b>				
Directors, Commisioners and Key Management	8,776,903,677	12,220,099,936	0.04	0.06
	2015 (3 Months) Rp	2014 (3 Months) Rp	Percentage to Total Revenue/ Operating Expense	
			2015 (3 Months) %	2014 (3 Months) %
<b>Revenues</b>				
PT Matahari Putra Prima Tbk	3,904,361,956	3,904,361,958	0.16	0.20
PT Mulia Persada Pertiwi	4,053,245,003	--	0.17	--
<b>Total Revenues</b>	<b>7,957,606,959</b>	<b>3,904,361,958</b>	<b>0.33</b>	<b>0.20</b>

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	2015 (3 Months) Rp	2014 (3 Months) Rp	Percentage to Total Revenue/ Operating Expense	
			2015 (3 Months) %	2014 (3 Months) %
Short-Term Post-Employment Benefits Expenses				
Directors, Commissioners and Key Management	6,845,356,673	11,461,542,296	0.28	0.57

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 net sales
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 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 transferred 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. Investments in Associates**

	March 31, 2015						Carrying Value
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Addition (Disposal) of Investment	
		%	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	101,154,669,567	(93,284,873,862)	--	14,025,219,075
PT TTL Residences	Bekasi	25.00	28,031,250,000	--	--	38,589,000,000	66,620,250,000
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	(15,874,763,265)	--	--	9,268,730,735
<b>Total</b>			<b>96,545,150,866</b>	<b>121,819,531,627</b>	<b>(93,284,873,862)</b>	<b>38,589,000,000</b>	<b>163,668,808,631</b>

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	Domicile	Percentage of Ownership	Acquisition Cost	December 31, 2014			Carrying Value
				Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Addition (Disposal) of Investment	
			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
<b>Total</b>			<b>111,840,150,866</b>	<b>119,865,362,614</b>	<b>(93,126,751,199)</b>	<b>(15,295,000,000)</b>	<b>123,283,762,281</b>

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 Teknologi 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 transferred 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.

## 11. Investment Property

	2015 (3 Months)				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
Land	56,201,024,208	--	--	--	56,201,024,208
Building	343,752,721,523	10,326,399,315	--	--	354,079,120,838
Total Acquisition Cost	399,953,745,731	10,326,399,315	--	--	410,280,145,046
<b>Accumulated Depreciation</b>					
Building	89,648,991,228	4,080,302,524	--	--	93,729,293,752
Total Accumulated Depreciation	89,648,991,228	4,080,302,524	--	--	93,729,293,752
<b>Carrying Value</b>	<b>310,304,754,503</b>				<b>316,550,851,294</b>
	2014 (One Year)				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
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
<b>Accumulated Depreciation</b>					
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
<b>Carrying Value</b>	<b>306,361,105,208</b>				<b>310,304,754,503</b>

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Rental revenue earned and direct operating expenses from investment property in the consolidated statements of comprehensive income are as follows:

	<b>2015</b> <b>(3 Months)</b> <b>Rp</b>	<b>2014</b> <b>(3 Months)</b> <b>Rp</b>
Rental Income	13,886,868,159	12,860,360,451
Direct Operating Cost Arises from the Rental Generated Investment Properties	4,422,553,046	4,129,082,135

Depreciation charges that were allocated in the consolidated statements of comprehensive income are as follows:

	<b>2015</b> <b>(3 Months)</b> <b>Rp</b>	<b>2014</b> <b>(3 Months)</b> <b>Rp</b>
Cost of Sales and Services	979,617,173	751,950,582
Selling Expense	3,100,685,351	3,332,393,446
<b>Total</b>	<b>4,080,302,524</b>	<b>4,084,344,028</b>

The investment property has been insured against fire damage and other risks to PT Lippo General Insurance Tbk, related party, with an insured amount of Rp565,000,000 and USD 1,000,000 as of March 31, 2015, and December 31, 2014, 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 Rp46,654,000,000,000. 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 March 31, 2015 was not impaired as compared to 2014.

Based on the evaluation of the value of investment properties as of March 31, 2015, management believes that there are no changes in circumstances indicate an impairment of investment properties.

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**12. Property and Equipment**

	2015 (3 Months)				
	Beginning	Addition	Deduction	Reclassification	Ending
	Balance				Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
Land	477,801,430,283	--	--	--	477,801,430,283
Building, Infrastructure and Renovations	1,029,929,192,682	29,519,956,897	--	--	1,059,449,149,579
Parks and Interiors	24,576,600,379	1,042,042,653	--	--	25,618,643,032
Golf Course and Club House	175,604,708,730	333,109,000	--	--	175,937,817,730
Transportation Equipment and Vehicles	46,397,613,598	984,000,000	--	--	47,381,613,598
Furniture, Fixtures and Office Equipment	670,698,064,934	52,974,517,472	--	--	723,672,582,406
Tools and Medical Equipment	1,522,526,112,101	125,772,656,383	--	--	1,648,298,768,484
Machinery and Project Equipment	258,068,250,234	28,235,073,119	--	--	286,303,323,353
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	<u>4,223,135,710,894</u>	<u>238,861,355,524</u>	<u>--</u>	<u>--</u>	<u>4,461,997,066,418</u>
<b>Construction in Progress</b>	<u>837,191,957,954</u>	<u>--</u>	<u>--</u>	<u>(39,177,546,704)</u>	<u>798,014,411,250</u>
Total Acquisition Cost	<u>5,060,327,668,848</u>	<u>238,861,355,524</u>	<u>--</u>	<u>(39,177,546,704)</u>	<u>5,260,011,477,668</u>
<b>Accumulated Depreciation</b>					
<b>Direct Ownership</b>					
Building, Infrastructure and Renovations	288,256,604,730	15,976,710,192	--	--	304,233,314,922
Parks and Interiors	21,520,178,822	173,550,486	--	--	21,693,729,308
Golf Course and Club House	153,419,085,781	2,430,149,907	--	--	155,849,235,688
Transportation Equipment and Vehicles	33,194,006,193	917,447,490	--	--	34,111,453,683
Furniture, Fixtures and Office Equipment	477,658,933,083	21,428,338,460	--	--	499,087,271,543
Tools and Medical Equipment	682,582,474,116	55,627,738,565	--	--	738,210,212,681
Machinery and Project Equipment	177,425,660,754	7,825,271,742	--	--	185,250,932,496
Bowling Machinery	14,372,469,025	3,781,557	--	--	14,376,250,582
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	<u>1,851,565,158,596</u>	<u>104,382,988,399</u>	<u>--</u>	<u>--</u>	<u>1,955,948,146,995</u>
<b>Carrying Value</b>	<u><b>3,208,762,510,252</b></u>				<u><b>3,304,063,330,673</b></u>
	2014 (One Year)				
	Beginning	Addition	Deduction	Reclassification	Ending
	Balance				Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
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
	<u>3,610,840,992,012</u>	<u>437,101,891,731</u>	<u>2,219,516,750</u>	<u>177,412,343,901</u>	<u>4,223,135,710,894</u>
<b>Construction in Progress</b>	<u>662,875,360,688</u>	<u>311,713,717,385</u>	<u>--</u>	<u>(137,397,120,119)</u>	<u>837,191,957,954</u>
Total Acquisition Cost	<u>4,273,716,352,700</u>	<u>748,815,609,116</u>	<u>2,219,516,750</u>	<u>40,015,223,782</u>	<u>5,060,327,668,848</u>

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	2014 (One Year)				Ending Balance Rp
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	
<b>Accumulated Depreciation</b>					
<b>Direct Ownership</b>					
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	<u>1,462,824,070,373</u>	<u>391,153,272,773</u>	<u>2,032,880,366</u>	<u>(379,304,184)</u>	<u>1,851,565,158,596</u>
<b>Carrying Value</b>	<u><b>2,810,892,282,327</b></u>				<u><b>3,208,762,510,252</b></u>

In 2015, the addition of the Group's property and equipment to inventory, including non-cash transactions from accrued expenses amounted to Rp20,303,311,070.

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 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.

Construction in progress includes hospitals and mall buildings. As of March 31, 2015, Construction in progress has reached 6% - 98% and estimated the completion within May 2015 until October 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:

	2015 (3 Months) Rp	2014 (3 Months) Rp
General and Administrative Expenses	45,637,708,309	33,243,420,538
Cost of Sales and Services	56,229,255,941	44,449,691,463
Selling Expenses	2,516,024,149	1,090,770,565
<b>Total</b>	<u><b>104,382,988,399</b></u>	<u><b>78,783,882,566</b></u>

Acquisition cost of property and equipment that have been fully depreciated and still in use as of March 31, 2015 and December 31, 2014 amounted Rp112,186,371,970, respectively.

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.

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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 March 31, 2015 and December 31, 2014, 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 March 31, 2015.

**13. Intangible Assets**

	2015 (3 Months)			
	Beginning Balance	Addition	Deduction	Ending Balance
	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>				
Goodwill	507,015,048,592	--	--	507,015,048,592
Software	42,594,192,168	2,763,776,533	--	45,357,968,701
Total Acquisition Cost	549,609,240,760	2,763,776,533	--	552,373,017,293
<b>Accumulated Impairment and Amortization</b>				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	8,370,897,937	541,723,493	--	8,912,621,430
Total Accumulated Impairment and Amortization	27,031,502,255	541,723,493	--	27,573,225,748
<b>Carrying Value</b>	<b>522,577,738,505</b>			<b>524,799,791,545</b>
	2014 (One Year)			
	Beginning Balance	Addition	Deduction	Ending Balance
	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>				
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
<b>Accumulated Impairment and Amortization</b>				
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
<b>Carrying Value</b>	<b>331,840,973,411</b>			<b>522,577,738,505</b>

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			March 31 2015	December 31 2014
			Rp	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	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



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Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			March 31 2015	December 31 2014
			Rp	Rp
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Proptindo	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 Triliansia	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
<b>Total - Net</b>			<b>488,354,444,274</b>	<b>488,354,444,274</b>

The management believes that the indentified impairment that occurred for the 3 (three) months period ended March 31, 2015 and for the year ended December 31, 2014 have been assessed adequately.

#### 14. Advances

	March 31 2015	December 31 2014
	Rp	Rp
Advances for Land Acquisition	1,090,091,912,679	964,586,377,005
Advances for Construction	462,692,962,998	548,203,926,343
Advances for Acquisition of Property and Equipment	68,939,738,884	89,474,806,976
Others	191,377,347,635	109,176,570,364
<b>Total</b>	<b>1,813,101,962,196</b>	<b>1,711,441,680,688</b>

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.

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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**

	March 31 2015		December 31 2014	
	Area	Value	Area	Value
	sqm	Rp	sqm	Rp
The Company	1,001,010	205,049,642,415	1,001,010	204,957,334,722
Subsidiaries:				
PT Gowa Makassar Tourism Development Tbk	2,046,873	331,186,678,433	2,046,873	317,160,283,219
PT Lippo Cikarang Tbk	1,361,272	430,833,198,278	1,383,883	396,834,940,859
PT Mulasentosa 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	15,520,541,679
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
<b>Total</b>	<b>6,393,568</b>	<b>1,184,344,456,862</b>	<b>6,416,179</b>	<b>1,136,227,496,536</b>

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**

	March 31 2015	December 31 2014
	Rp	Rp
Estimated Cost for Construction	717,022,693,041	726,197,777,129
Interest	272,810,903,825	95,652,427,787
Endowment Care Fund	63,512,738,664	59,696,987,047
Hedging Premium of Call Spread Option	64,569,952,365	22,083,103,440

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	March 31 2015	December 31 2014
	Rp	Rp
Contract Service	30,219,850,078	21,642,499,126
Cost of Goods Sold	19,038,779,021	19,079,289,656
Transfer of Ownership Tax	15,218,437,089	16,986,811,984
Professional Fees	25,423,565,001	1,624,616,670
Others	188,757,482,448	162,466,039,961
<b>Total</b>	<b>1,396,574,401,532</b>	<b>1,125,429,552,800</b>

Accrued cost of goods sold represents accrued on unbilled hospitals cost of goods sold. This account will be reclassified to the appropriate account after the invoice is issued.

## 17. Taxation

### a. Income Tax Expense

	2015 (3 Months)	2014 (3 Months)
	Rp	Rp
Current	(98,554,533,522)	(69,308,306,888)
Deferred	(2,200,423,959)	2,452,140,645
<b>Total Tax Expense</b>	<b>(100,754,957,481)</b>	<b>(66,856,166,243)</b>

The reconciliation between profit before tax as presented in the consolidated statements of comprehensive income and the Company's estimated tax loss is as follows:

	2015 (3 Months)	2014 (3 Months)
	Rp	Rp
Income before Income Tax Expense as Presented in Consolidated Statements of Comprehensive Income	598,465,344,530	530,263,741,004
<i>Deduct:</i>		
Income of Subsidiaries	265,075,261,591	581,665,388,723
The Company's Commercial Gain (Loss) - Net	333,390,082,939	(51,401,647,719)
<b>Temporary Differences</b>		
Depreciation of Direct Ownership of Property and Equipment	(1,475,507,890)	(1,475,507,890)
Deferred Gain on Sale and Leaseback Transactions	(1,825,861,686)	(1,825,861,686)
Subtotal	(3,301,369,576)	(3,301,369,576)
<b>Permanent Differences</b>		
Donation and Representation	60,176,036	67,331,339
Interest Income	(814,479,225)	(2,316,395,360)
Income Subjected to Final Tax	(19,668,748,055)	(10,645,668,224)
Subtotal	(20,423,051,244)	(12,894,732,245)
<b>Estimated Tax Gain (Loss)</b>	<b>309,665,662,119</b>	<b>(67,597,749,540)</b>

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Calculation of estimated current tax and tax payable of subsidiaries is as follows:

	2015 (3 Months) Rp	2014 (3 Months) Rp
<b>The Company</b>		
Estimated Tax Gain (Loss)	<u>309,665,662,119</u>	<u>(67,597,749,540)</u>
<b>Subsidiaries</b>		
Estimated Taxable Income	<u>164,868,404,158</u>	<u>50,678,674,259</u>
Current Tax	33,913,243,961	17,879,512,920
Tax Credit	(16,130,261,975)	--
Estimated Income Tax of Subsidiaries Article 29	<u>17,782,981,986</u>	<u>17,879,512,920</u>
<b>Final Tax Expense</b>		
The Company	1,853,496,086	1,067,016,822
Subsidiaries	62,787,793,477	50,361,777,146
Consolidated Final Tax Expense	<u>64,641,289,563</u>	<u>51,428,793,968</u>
<b>Consolidated Income Tax Expense</b>	<u>98,554,533,524</u>	<u>69,308,306,888</u>
<b>Consolidated Income Tax Payable Article 29</b>		
Estimated Consolidated Income Tax Article 29	17,782,981,986	17,879,512,920
Prior Year Income Tax Article 29	63,244,245,611	42,331,114,700
<b>Total Consolidated Income Tax Payable Article 29</b>	<u>81,027,227,597</u>	<u>60,210,627,620</u>

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 (3 Months) Rp	2014 (3 Months) Rp
Income before Income Tax Expense According to the Consolidated Statements of Income	598,465,344,530	530,263,741,004
<i>Deduct:</i>		
Income of Subsidiaries	265,075,261,591	581,665,388,723
The Company's Commercial Income (Loss)	<u>333,390,082,939</u>	<u>(51,401,647,719)</u>
Income Tax Expense at Effective Tax Rate 25%	(83,347,520,737)	12,850,411,929
Income Subject to Final Tax - Net	4,917,187,014	2,661,417,056
Interest Income	203,619,806	579,098,840
Donation and Representation	(15,044,009)	(16,832,835)
Tax Gain (Loss)	<u>77,416,415,530</u>	<u>(16,899,437,385)</u>
Income Tax Expense of the Company	(825,342,396)	(825,342,395)
Final Tax Expense of the Company	<u>(1,853,496,086)</u>	<u>(1,067,016,822)</u>
Total Income Tax Expense of the Company	<u>(2,678,838,482)</u>	<u>(1,892,359,217)</u>

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	2015 (3 Months) Rp	2014 (3 Months) Rp
Income Tax Expense of the Subsidiaries		
Deferred Tax of the Subsidiaries	(1,375,081,561)	3,277,483,040
Current Tax of the Subsidiaries	(33,913,243,961)	(17,879,512,920)
Final Tax Expense of the Subsidiaries	(62,787,793,477)	(50,361,777,146)
Total Income Tax Expense of the Subsidiaries	(98,076,118,999)	(64,963,807,026)
<b>Total Income Tax Expense</b>	<b>(100,754,957,481)</b>	<b>(66,856,166,243)</b>

**b. Deferred Tax Asset and Liabilities**

Details of the Group's deferred tax assets and liabilities are as follows:

	January 1, 2015 Rp	Credited (Charged) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	March 31, 2015 Rp
<b>The Company</b>				
Amortization of Deferred Income from Sale and Leaseback Transaction	12,675,616,315	(456,465,422)	--	12,219,150,893
Estimated Liabilities on Employee Benefits	9,365,764,609	--	--	9,365,764,609
Allowance for Impairment in Value	2,965,626,608	--	--	2,965,626,608
Depreciation	(11,666,816,651)	(368,876,975)	--	(12,035,693,626)
	13,340,190,881	(825,342,397)	--	12,514,848,484
<b>Subsidiaries</b>	38,915,497,351	(1,375,081,561)	--	37,540,415,790
<b>Deferred Tax Assets</b>	<b>52,255,688,231</b>	<b>(2,200,423,958)</b>	<b>--</b>	<b>50,055,264,274</b>
<b>Deferred Tax Liabilities</b>	<b>28,147,868,966</b>	<b>(1,217,926,169)</b>	<b>--</b>	<b>26,929,942,797</b>
	January 1, 2014 Rp	Credited (Charged) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	December 31, 2014 Rp
<b>The Company</b>				
Amortization of Deferred Income from Sale and Leaseback Transaction	14,501,478,001	(1,825,861,686)	--	12,675,616,315
Estimated Liabilities on Employee Benefits	9,204,139,494	161,625,115	--	9,365,764,609
Allowance for 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
<b>Subsidiaries</b>	34,194,193,287	4,645,279,868	76,024,196	38,915,497,351
<b>Deferred Tax Assets</b>	<b>50,363,528,323</b>	<b>1,816,135,713</b>	<b>76,024,196</b>	<b>52,255,688,231</b>
<b>Deferred Tax Liabilities</b>	<b>11,983,104,371</b>	<b>1,530,675,893</b>	<b>14,634,088,702</b>	<b>28,147,868,966</b>

Management believes that the deferred tax assets can be recovered through future taxable profits in the future.

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**c. Prepaid Taxes**

	31 Maret 2015 Rp	31 Desember 2014 Rp
Income Tax		
Article 21	--	2,344,514
Article 4 (2)	380,940,119,923	404,201,707,819
Article 22	658,273,668	296,725,405
Article 25/29	8,308,773,253	--
Article 28.a	19,170,437,869	6,991,456,142
Value Added Tax	213,895,152,342	209,977,210,971
<b>Total Prepaid Taxes</b>	<b>622,972,757,055</b>	<b>621,469,444,851</b>

**d. Taxes Payable**

	31 Maret 2015 Rp	31 Desember 2014 Rp
Income Tax		
Final	77,325,090,665	184,916,278,400
Article 23	1,790,549,555	--
Article 25/29	81,027,227,597	125,377,715,893
Article 21	25,306,509,076	24,287,992,522
Article 26	17,890,651	15,989,757
Value Added Tax	13,923,929,864	309,217,624,885
Hotel and Restaurant Tax	2,881,356,709	2,832,043,246
Entertainment Tax	581,824,479	581,824,479
<b>Total Taxes Payable</b>	<b>202,854,378,596</b>	<b>647,229,469,182</b>

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.

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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**

	<b>March 31 2015 Rp</b>	<b>December 31 2014 Rp</b>
<b>Third Parties</b>		
Supplier	236,400,141,793	232,404,843,283
Contractor	87,267,878,315	85,793,000,925
Doctor Fees	85,564,802,847	74,649,048,117
Others	2,326,380,305	2,287,063,138
<b>Total</b>	<b>411,559,203,260</b>	<b>395,133,955,463</b>

**19. Short-Term Bank Loans**

	<b>March 31 2015 Rp</b>	<b>December 31 2014 Rp</b>
<b>Third Parties</b>		
PT Bank Negara Indonesia (Persero) Tbk	--	170,000,000,000
PT Bank Central Asia Tbk	3,257,058,250	3,540,195,011
PT Bank ICBC Indonesia	--	--
<b>Total</b>	<b>3,257,058,250</b>	<b>173,540,195,011</b>

**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 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 amended 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).

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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. Collateral 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**

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Parties</b>		
Unidentified Payments	232,807,102,095	205,960,812,485
Other Payable	223,000,406,309	201,125,936,118
<b>Total</b>	<u>455,807,508,404</u>	<u>407,086,748,603</u>

Unidentified payments represent receipt of collection not yet identifiable by the Company.

**21. Long-Term Bank Loans**

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Parties</b>		
Bank Pembangunan Daerah Kalimantan Timur	28,568,458,292	29,993,214,251
PT Bank Central Asia Tbk	11,346,760,230	12,967,725,976
	39,915,218,522	42,960,940,227
Current Portion	12,608,621,439	12,435,856,488
<b>Non-Current Portion</b>	<u>27,306,597,083</u>	<u>30,525,083,739</u>

**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



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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 period amounted to Rp1,424,755,955.

**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 2.2 times. As of March 31, 2015 and December 31, 2014, GFA has complied with the required debt ratio.

Loan payments for the current period amounted to Rp1,904,102,508.

**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 facility 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 healthcare 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.

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**22. Bonds Payable**

	March 31 2015 Rp	December 31 2014 Rp
Nominal (2015: USD803,306,000; 2014: USD803,306,000)	10,510,455,704,000	9,993,126,640,000
Premium - Net	89,322,596,987	99,639,856,615
Bond Issuance Cost - Net	(311,066,911,755)	(312,155,200,064)
<b>Total</b>	<b>10,288,711,389,232</b>	<b>9,780,611,296,551</b>
Premium (net of discount)	129,760,569,999	123,373,700,000
Less: Accumulated Amortization	(40,437,973,012)	(23,733,843,385)
<b>Unamortized Premium</b>	<b>89,322,596,987</b>	<b>99,639,856,615</b>
Bond Issuance Costs	427,718,066,655	494,815,141,452
Less: Accumulated Amortization	(116,651,154,900)	(182,659,941,388)
<b>Unamortized Bond Issuance Cost</b>	<b>311,066,911,755</b>	<b>312,155,200,064</b>

The Company 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.

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 March 31, 2015 and December 31, 2014, accrued interest expense amounted to USD 6,513,889 and USD 2,138,889 (equivalent to Rp85,227,723,676 and Rp26,607,779,160), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, Theta Capital Pte. Ltd., a subsidiary, issued unsecured bonds with nominal value of USD 273,306,000 in exchange with bond of Sigma Capital Pte. Ltd. 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 March 31, 2015 and December 31, 2014, accrued interest expense amounted to USD 6,370,497 and USD 2,185,499 (equivalent to Rp83,351,582,748 and Rp27,187,607,560), respectively.

On January 14, 2013, Theta Capital Pte. Ltd., 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

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6 months. As of March 31, 2015 and December 31, 2014 accrued interest expenses amounted to USD 3,030,174 and USD 1,039,549 (equivalent Rp39,646,796,616 and Rp12,671,058,007).

On April 30, 2013, Sigma Capital Pte Ltd, 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, Theta Capital Pte. Ltd., 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 March 31, 2015 and December 31, 2014 accrued interest expenses amounted to USD 4,929,166 and USD 1,429,167 (equivalent Rp64,493,207,944 and Rp17,778,837,480).

Interest and borrowing costs capitalized into inventories amounting to Rp164,282,722,504 and Rp575,116,386,833, respectively, for the 3 (three) months period ended March 31, 2015 and for the year ended December 31, 2014 (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 Benefit – 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 was calculated by PT Mega Jasa Aktuaria with report dated February 9, 2015. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

The details of post-employment benefits expense recognized in the consolidated statements of comprehensive income are as follows:

	<b>2014</b>
	<b>Rp</b>
Present Value of Defined Benefit Obligation	257,671,574,762
Unrecognized Actuarial Loss	(28,747,373,900)
Unrecognized Past Service Cost (Non-Vested)	(468,627,003)
Obligation from Acquired Subsidiary	100,614,912
Adjustment	(10,161,924,517)
<b>Total</b>	<b>218,394,264,254</b>

Post-employment benefits expense is recorded as part of the cost of salaries and employee benefits (see Notes 34 and 35).

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Reconciliation of changes in liabilities recognized in the consolidated statements of financial position is as follow:

	<b>2014</b>
	<b>Rp</b>
Balance on January 1,	187,635,603,635
Payment of Employees' Benefits in the Current Year	(23,376,600,578)
Obligation from Acquired Subsidiary	100,614,912
Adjustment	(8,433,071,212)
Expense During the Year	62,467,717,497
<b>Balance on December 31,</b>	<b>218,394,264,254</b>

Reconciliation of changes in present value of defined benefit obligation is as follows:

	<b>2014</b>
	<b>Rp</b>
Present Value of Defined Benefits Obligation in January 1,	181,367,280,459
Adjustment of Present Value of Previous Year	(499,110,181)
Current Service Cost	36,811,614,330
Interest Expense	13,776,781,307
Benefits Payment	(23,376,600,578)
Unrecognized Actuarial Gain (Loss)	49,591,609,425
<b>Present Value of Defined Benefits Obligation as of December 31,</b>	<b>257,671,574,762</b>

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:

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>
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	--	--	--	--	--
<b>Deficit of the Program</b>	<b>257,671,574,762</b>	<b>181,367,280,459</b>	<b>201,016,264,584</b>	<b>148,435,574,952</b>	<b>119,920,794,970</b>

Present value of defined benefit obligation, related current service cost and past service cost has been calculated by independent actuaries using the following assumptions:

	<b>2014</b>
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

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**24. Advances from Customers**

	March 31 2015 Rp	December 31 2014 Rp
<b>Third Party</b>		
Apartment	2,005,496,172,766	2,260,978,431,559
Residential Houses and Shophouses	2,520,961,121,334	2,297,609,438,130
Land Lots	274,699,128,702	398,062,629,200
Shopping Centers	165,773,313,473	195,711,717,834
Total	4,966,929,736,275	5,152,362,216,723
Current Portion	3,347,253,212,427	2,456,690,149,393
<b>Non-Current Portion</b>	<b>1,619,676,523,848</b>	<b>2,695,672,067,330</b>

Details of the percentage of advances from customer to sales price are as follows:

	March 31 2015 Rp	December 31 2014 Rp
100%	3,337,330,975,994	3,461,924,959,363
50% - 99%	330,495,363,174	342,833,885,807
20% - 49%	302,612,733,237	365,433,924,067
Below 20%	996,490,663,870	982,169,447,486
<b>Total</b>	<b>4,966,929,736,275</b>	<b>5,152,362,216,723</b>

**25. Deferred Income**

	March 31 2015 Rp	December 31 2014 Rp
<b>Related Party</b>		
Rent (see Notes 9 and 40.b)	441,882,239,567	449,839,846,526
<b>Third Parties</b>		
Rent	284,336,191,447	288,452,303,263
Others	40,384,914,886	41,892,708,709
Subtotal	324,721,106,333	330,345,011,972
Total Deferred Income	766,603,345,900	780,184,858,498
Current Portion	357,279,228,282	362,175,439,809
<b>Non-Current Portion</b>	<b>409,324,117,618</b>	<b>418,009,418,689</b>

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**26. Deferred Gain on Sale and Leaseback Transaction**

	March 31 2015 Rp	December 31 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 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	206,924,756,667	106,411,728,221
Accumulated Amortization	(658,050,311,074)	(543,380,832,978)
Deferred Gain on Sale and Leaseback - Net	1,260,383,551,915	1,274,540,001,565
Current Portion	129,086,082,001	127,287,435,838
<b>Non-Current Portion</b>	<b>1,131,297,469,914</b>	<b>1,147,252,565,727</b>

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 39.b).

**27. Capital Stock**

The Company stockholders' composition as of March 31, 2015 and December 31, 2014 is as follows:

Stockholders	March 31, 2015			December 31, 2014		
	Total Shares	Percentage Ownership	Issued and Fully Paid Rp	Total Shares	Percentage Ownership	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
Tanri Abeng, MBA	--	--	--	150,000	--	15,000,000
Public (each below 5%)	17,432,685,211	76.56	1,743,268,521,100	17,432,535,211	76.56	1,743,253,521,100
<b>Subtotal</b>	<b>22,771,585,119</b>	<b>100</b>	<b>2,277,158,511,900</b>	<b>22,771,585,119</b>	<b>100.00</b>	<b>2,277,158,511,900</b>
<b>Treasury Stock</b>	<b>306,104,500</b>		<b>30,610,450,000</b>	<b>306,104,500</b>		<b>30,610,450,000</b>
<b>Total</b>	<b>23,077,689,619</b>		<b>2,307,768,961,900</b>	<b>23,077,689,619</b>		<b>2,307,768,961,900</b>

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/II/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
<b>Total</b>		<b>306,104,500</b>	<b>216,524,113,794</b>

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**28. Additional Paid in Capital - Net**

	<b>Rp</b>
Agio Saham - Neto	4,043,613,274,615
Selisih Nilai Transaksi Restrukturisasi Entitas Sepengendali -Neto	19,535,347,265
<b>Jumlah</b>	<b>4,063,148,621,880</b>

**Paid in Capital Excess of Par - Net**

	<b>Rp</b>
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
<b>Total Paid in Capital Excess of Par - Net</b>	<b>4,043,613,274,615</b>

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.

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**Difference in Value from Restructuring Transactions between Entities Under Common Control - Net**

	<u>Rp</u>
<b>Transaction Before Business Combination</b>	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	(4,677,115,352)
<b>Transaction from Business Combination</b>	
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
<b>Net</b>	<b>19,535,347,265</b>

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 February 12, 2015, PT Wisma Jatim Propertindo, a subsidiary, acquired 8% shares of PT Wahana Usaha Makmur (WUM) from PT Mahanaim amounted to 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, disposed respectively, 75,300,000 or 6.51% and 17,500,000 or 1.51% of shares ownership in PT Siloam International Hospitals (SIH) at Rp12,250 per share or Rp1,136,800,000,000. Gain on disposal of investments amounting to Rp1,000,581,189,869 was recorded as gain on disposal of investment in subsidiary.

On November 28, 2014, PT Tunggal Pilar Perkasa, a subsidiary, acquired 20% shares of PT Medika Sarana Triliansia (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.



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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 7.13% of the issued and fully capital stock in SIH with the price of Rp10,400 per share. Gain on disposal of investments amounting to Rp834,280,276,123 was recorded as gain on disposal of investment in subsidiary.

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:

	<b>March 31 2015 Rp</b>	<b>December 31 2014 Rp</b>
Shares Acquired from Non Controlling Interest		
Acquisition Cost	(359,047,642,857)	(343,713,642,857)
Net Asset Value of Acquired	161,012,895,861	101,827,714,166
Difference from Foreign Currency Translations	(21,105,562,928)	(21,105,562,928)
Subtotal	(219,140,309,924)	(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)
Subtotal	1,793,143,053,500	792,561,863,631
<b>Total</b>	<b>1,574,002,743,576</b>	<b>529,570,372,012</b>

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**30. Other Equity Transactions**

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 billion and increased the reserved fund amounting to Rp1 billion from retained earnings of 2013.

**32. Other Comprehensive Income**

	March 31 2015 Rp	December 31 2014 Rp
Gain on Changes in Fair Value of Available-for-Sale Financial Assets	378,594,213,992	170,197,156,625
Gain from Translations Financial Statements in Foreign Currency	762,643,787,743	670,172,145,549
Adjustment PSAK 24 (Revised 2013)	(11,850,549,863)	(11,850,549,863)
<b>Total</b>	<b>1,129,387,451,872</b>	<b>828,518,752,311</b>

**Gain on Changes in Fair Value of Available-for-Sale Financial Assets**

	March 31 2015 Rp	December 31 2014 Rp
<u>Investment FREIT (see Note 5)</u>		
Bridgewater International Ltd	719,952,458,048	573,756,360,982
Bowsprit Capital Corporation Ltd	183,501,328,058	131,109,596,159
PT Menara Tirta Indah	271,184,111,071	208,205,465,090
<u>Investment LMIRT (see Note 5)</u>		
Bridgewater International Ltd	(779,265,285,161)	(718,469,860,666)
LMIRT Management Ltd	(16,778,398,024)	(24,404,404,940)
<b>Gain on Changes in Fair Value of Available-for-Sale Financial Assets</b>	<b>378,594,213,992</b>	<b>170,197,156,625</b>

**33. Non-Controlling Interests**

Details of non-controlling interests in the equity of consolidated subsidiaries as of March 31, 2015 and December 31, 2014, are as follows:

	March 31 2015 Rp	December 31 2014 Rp
PT Lippo Cikarang Tbk	1,340,716,747,420	1,223,472,643,690
PT Siloam International Hospitals Tbk	505,188,395,139	353,400,712,481
PT Gowa Makassar Tourism Development Tbk	205,419,337,706	187,692,216,973
PT Dharma Sarana Nusa Pratama	34,078,302,126	37,505,096,914

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	March 31 2015	December 31 2014
	Rp	Rp
PT Metropolitan Permaisemesta	17,924,389,856	15,300,553,628
PT Pelangi Cahaya Intan Makmur	15,779,576,922	16,495,708,082
PT Wahana Usaha Makmur	--	179,626,610,523
Others	26,819,776,747	27,783,034,090
<b>Total</b>	<b>2,145,926,525,916</b>	<b>2,041,276,576,382</b>

**34. Revenues**

	2015 (3 Months)	2014 (3 Months)
	Rp	Rp
Urban Development:		
Land Lots	207,155,357,203	386,896,244,949
Residential Houses and Shophouses	402,015,123,318	172,277,278,692
Memorial Park	84,371,968,348	42,712,303,123
Asset Enhancements	7,602,488,566	12,711,343,764
Others	3,883,350,200	--
Subtotal	705,028,287,635	614,597,170,528
Large Scale Integrated Development:		
Apartments	448,059,204,051	332,855,903,014
Asset Enhancements	6,501,045,000	3,222,161,834
Subtotal	454,560,249,051	336,078,064,848
Retail Malls:		
Asset Enhancements	53,999,631,459	61,790,658,704
Shopping Centres	--	1,915,459,229
Subtotal	53,999,631,459	63,706,117,933
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	225,646,691,510	157,767,785,548
Drugs and Medical Supplies	211,872,882,690	169,781,646,231
Ward Fees	91,594,876,164	67,886,658,869
Administration Fees	21,352,980,168	16,943,037,926
Operating Theater	23,639,393,116	14,805,237,364
Delivery Fees	170,094,009	226,695,010
Others	34,806,680,059	35,182,725,907
Outpatient Department		
Medical Support Services and Professional Fees	221,664,322,368	174,995,029,204
Drugs and Medical Supplies	113,613,637,355	90,348,152,042
Registration Fees	10,209,498,108	7,736,912,180
Others	21,814,578,549	15,569,145,238
Subtotal	976,385,634,096	751,243,025,519

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	2015 (3 Months)	2014 (3 Months)
	Rp	Rp
Hospitality and Infrastructure:		
Hotels and Restaurants	63,736,224,460	64,829,797,306
Town Management	58,915,503,155	47,653,733,829
Water and Sewage Treatment	33,031,716,543	32,346,651,146
Recreation and Sports	16,914,962,555	16,162,260,241
Others	6,781,732,578	2,359,170,646
Subtotal	179,380,139,291	163,351,613,168
Property and Portfolio Management:		
Management Fees	77,789,449,690	68,742,162,694
<b>Total Revenues</b>	<b>2,447,143,391,222</b>	<b>1,997,718,154,690</b>

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. There are no sales above 10% of net revenues for each period.

**35. Cost of Revenue**

	2015 (3 Months)	2014 (3 Months)
	Rp	Rp
Urban Development:		
Land Lots	57,707,236,017	153,845,926,600
Residential Houses and Shophouses	177,653,243,452	67,331,439,158
Memorial Park	15,147,841,849	7,974,571,025
Asset Enhancements	7,457,715,959	1,366,775,615
Others	1,381,478,712	--
Subtotal	259,347,515,989	230,518,712,398
Large Scale Integrated Development:		
Apartments	221,518,949,291	159,765,902,435
Asset Enhancements	417,257,801	809,480,371
Subtotal	221,936,207,092	160,575,382,806
Retail Malls:		
Asset Enhancements	1,813,190,248	190,191,516
Shopping Centres	--	761,431,274
Subtotal	1,813,190,248	951,622,790
Healthcare:		
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	190,669,911,619	140,913,994,884
Drugs and Medical Supplies	127,225,244,404	107,540,608,181
Clinical Supplies	15,488,974,657	13,523,410,738
Depreciation	36,268,285,345	28,433,730,747
Food and Beverages	15,770,291,144	11,781,010,087
Repair and Maintenance	1,307,784,990	2,044,048,940
Others	19,649,441,604	21,162,852,517

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	2015 (3 Months) Rp	2014 (3 Months) Rp
Outpatient Department		
Professional Fees, Salaries and Employee Benefits	124,379,567,075	99,060,067,252
Drugs and Medical Supplies	90,422,565,978	74,976,121,226
Clinical Supplies	7,465,560,838	8,387,490,248
Depreciation	19,960,970,596	16,015,960,716
Repair and Maintenance	950,837,209	1,136,009,382
Others	19,869,610,772	13,019,786,001
Subtotal	669,429,046,231	537,995,090,919
Hospitality and Infrastructure:		
Town Management	41,673,618,317	34,349,427,016
Hotels and Restaurants	24,960,743,752	23,370,041,592
Water and Sewage Treatment	13,875,517,786	10,571,572,920
Recreation and Sports	5,458,482,987	4,938,156,401
Others	3,764,318,605	3,017,618,439
Subtotal	89,732,681,447	76,246,816,368
Property and Portfolio Management:		
Management Fees	4,559,475,455	3,188,680,843
<b>Total Cost of Sales</b>	<b>1,246,818,116,462</b>	<b>1,009,476,306,124</b>

There are no purchases above 10% of net revenues for each period.

**36. Operating Expenses**

	2015 (3 Months) Rp	2014 (3 Months) Rp
<b><u>Selling Expenses</u></b>		
Marketing and Advertising	41,462,418,080	35,837,492,393
Salaries and Employee Benefits	32,656,823,594	29,661,327,618
Management Fees	4,038,743,284	11,917,982,237
Repairs and Maintenance	7,463,686,290	6,574,501,743
Depreciation (see Notes 11 and 12)	5,616,709,500	4,423,164,011
Transportation and Accommodation	1,955,674,132	2,490,992,186
Electricity and Water	2,050,404,942	1,233,138,718
Rent - Net	1,076,286,681	849,549,433
Office Supplies	860,200,209	793,231,246
Others	3,422,374,943	1,270,649,571
Total	100,603,321,655	95,052,029,156
<b><u>General and Administrative Expenses</u></b>		
Salaries and Employee Benefits	185,337,686,862	150,776,187,647
Rent - Net	29,610,840,498	56,388,010,358
Depreciation (see Note 12)	45,637,708,309	33,243,420,538
Electricity and Water	34,844,714,052	31,182,947,412
Professional Fees	35,479,636,675	19,681,925,903

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	2015 (3 Months) Rp	2014 (3 Months) Rp
Transportation and Accommodation	17,788,090,147	14,653,559,402
Repairs and Maintenance	14,107,027,949	10,643,438,568
Office Supplies	9,916,439,624	9,061,713,011
Communication	5,921,787,791	5,342,065,720
Training and Seminar	8,290,284,408	5,113,310,586
Insurance	4,091,920,158	3,418,149,885
Membership and Subscription Fees	1,792,469,607	2,327,725,489
Others	79,744,735,572	38,453,905,317
Total	472,563,341,652	380,286,359,836
<b>Total Operating Expenses</b>	<b>573,166,663,307</b>	<b>475,338,388,992</b>

**37. Financial Expense - Net**

	2015 (3 Months) Rp	2014 (3 Months) Rp
Interest Income	17,164,157,231	15,373,412,518
Financial Charges	(47,257,479,968)	(36,576,169,687)
Interest Expense	(1,190,986,722)	(1,791,229,924)
<b>Financial Charges - Net</b>	<b>(31,284,309,459)</b>	<b>(22,993,987,093)</b>

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 3 and 8), while interest expense represents interest on loans (see Notes 19 and 21).

**38. Other Income (Expenses) - Net**

	2015 (3 Months) Rp	2014 (3 Months) Rp
<b>Other Income</b>		
Dividend Income	41,147,512,885	40,570,830,303
Gain on Foreign Exchange - Net	--	4,779,839,430
Others	45,885,295,410	8,527,096,404
<b>Total Other Income</b>	<b>87,032,808,295</b>	<b>53,877,766,137</b>
<b>Other Expenses</b>		
Amortization Expense	19,838,997,303	14,279,043,802
Loss on Foreign Exchange - Net	3,670,467,450	--
<b>Total Other Expenses</b>	<b>23,509,464,753</b>	<b>14,279,043,802</b>

**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.

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**39. Basic Earnings Per Share**

The calculation of basic earnings per share is as follows:

	2015 (3 Months)	2014 (3 Months)
Profit for the Years Attributable to Owners of the Parent Company (Rupiah)	417,369,383,565	339,081,343,973
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	18.33	14.89

**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 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp23.0 billion and Rp18.2 billion, 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 March 31, 2015 and December 31, 2014 total outstanding commitment amounted to Rp2,427 billion and Rp1,630 billion, respectively. Several of unrealized significant contracts as of March 31, 2015 are as follows:

Subsidiaries	Contractor	Contract Value (Rp billion)	Unrealized Contract Value (Rp billion)
PT. Lippo Cikarang Tbk	PT. Trilogi Surya Wisesa	536	261
PT. Mandiri Cipta Gemilang	PT. Bangun Karya Semesta	655	202
PT. Mulia Citra Abadi	PT. Bangun Karya Semesta	178	127
PT. Lippo Cikarang Tbk	PT. Pembangunan Perumahan (Persero), Tbk	211	63
PT. Lippo Cikarang Tbk	PT. Cipta Sarana Sukses Abadi	133	61
PT. Mandiri Cipta Gemilang	PT. Utama Karya (Persero)	450	60
PT. Mandiri Cipta Gemilang	PT. Glenindo Citramandiri	92	56
PT. Lippo Karawaci Tbk	PT. Indonesia Pondasi Raya	65	50
PT. Lippo Karawaci Tbk	DP Architect PTE Ltd	62	39
PT. Mandiri Cipta Gemilang	PT. Kone Indo Elevator	44	34

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Subsidiaries	Contractor	Contract Value	Unrealized Contract Value
		(Rp billion)	(Rp billion)
PT. Mandiri Cipta Gemilang	PT. Pangkal Multikarya	60	31
PT. Titian Semesta Raya	PT. Pangkal Multikarya	39	31
PT. Almaron Perkasa	PT. Bangun Karya Semesta	133	25
PT. Almaron Perkasa	PT. Glenindo Citramandiri	54	24
PT. Lippo Karawaci Tbk	TY LIN International PTE Ltd	33	22

**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 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp40,430,184,547 and Rp39,421,235,711, 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 Real Estate Investment Trust (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 percentage 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 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp4,993,859,674 and Rp8,616,140,158, respectively.



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- 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 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp35,185,166,620 and Rp33,683,355,750, 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 billion and increase by Rp500 million 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 Bisma Pratama Karya, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement.

Rental expense of sale and lease-back transaction for the 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp1,115,356,429 and Rp506,238,807, 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 for the 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp14,586,376,813 and Rp14,700,000,000, 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 Tandiar 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 Real Estate Investment Trust (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 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp9,984,722,224 and Rp10,062,500,000, 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 the First Real Estate Investment Trust (First REIT). The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

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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 difference is recognized as deferred gain (see Note 26).

Rental expense of sale and lease-back transaction for the 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp18,679,944,928 and Rp18,876,000,000, 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 above for the 3 (three) months period ended March 31, 2015 and 2014 amounted to Rp17,830,197,102 and Rp18,057,000,000, 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 and will be expired in one year. Rental expense will be paid quarterly

For the 3 (three) months period ended March 31, 2015, 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, Siloam Hospitals Palembang, Siloam Hospitals Medan 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 Srandol, Siloam Hospitals Bogor Internusa, Siloam Hospitals Jember, Siloam Hospitals Bluemall Bekasi, Siloam Hospitals Bekasi Grand Mall, Siloam Hospitals MT Haryono, Siloam Hospitals Salemba, Siloam Hospitals Lampung and Siloam Hospitals Kupang;
- 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 March 31, 2015, the fair value of this facility amounted to USD7,974,945.41 (equivalent Rp104,344,185,802).
- 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

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May 16 and November 16. This facility will due on May 16, 2019. As of March 31, 2015, the fair value of this facility amounted to USD6,857,414.64 (equivalent Rp89,722,413,167).

- 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 March 31, 2015, the fair value of this facility amounted to USD4,191,466.41 (equivalent Rp54,841,146,636).
- 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 March 31, 2015, the fair value of this facility amounted to USD4,195,901.06 (equivalent Rp54,899,169,543).
- 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 March 31, 2015, the fair value of this facility amounted to USD18,644,903.26 (equivalent Rp243,949,914,361).
- 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 March 31, 2015, the fair value of this facility amounted to USD19,435,064.39 (equivalent Rp254,288,382,603).
- 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 March 31, 2015, the fair value of this facility amounted to USD3,428,253.06 (equivalent Rp44,855,263,039).
- 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 March 31, 2015, the fair value of this facility amounted to USD16,558,11.32 (equivalent Rp216,646,407,040).
- 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 March 31, 2015, the fair value of this facility amounted to USD7,833,036.74 (equivalent Rp102,487,452,769).
- 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

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every May 16 and November 16. This facility will due on November 16, 2020. As of March 31, 2015, the fair value of this facility amounted to USD4,325,479.82 (equivalent Rp56,594,577,991).

- On January 28, 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 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 March 31, 2015, the fair value of this facility amounted to USD3,970,621.05 (equivalent Rp51,951,605,853).
- 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 March 31, 2015, the fair value of this facility amounted to USD3,260,190.77 (equivalent Rp42,656,336,107).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD2,883,409.56 (equivalent Rp37,726,530,786).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD7,363,291.66 (equivalent Rp96,341,308,193).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD3,734,861.58 (equivalent Rp48,866,928,984).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD4,692,745.10 (equivalent Rp61,399,876,956).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD3,557,830.89 (equivalent Rp46,550,659,406).
- 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

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every May 16 and November 16. This facility will due on November 16, 2020. As of March 31, 2015, the fair value of this derivative instruments amounted to sebesar USD5,059,585.38 (equivalent Rp66,199,615,171).

- 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 November 16, 2020. As of March 31, 2015, the fair value of this derivative instruments amounted to USD5,758,527.61 (equivalent Rp75,344,575,276).
- 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 November 16, 2020. As of March 31, 2015, the fair value of this derivative instruments amounted to USD10,786,692.05 (equivalent Rp141,133,078,878).
- 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 November 16, 2020. As of March 31, 2015, the fair value of this derivative instruments amounted to USD3,233,575.71 (ekuivalen Rp42,307,581,267).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD4,479,829.12 (equivalent Rp58,614,084,289).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD2,851,362.84 (equivalent Rp37,307,231,411).
- 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 March 31, 2015, the fair value of this derivative instruments amounted to USD4,315,614.03 (equivalent Rp56,465,494,085).

**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 31, 2013 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P3 . 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 11.5% per year. This loan can be used for working capital purposes and will mature on October 25, 2015.

This loan is secured by land of 38,901 sqm, with the Land Right (HGB) No. 178/Sukaresmi registered under the name of PT Waska Sentana, a subsidiary.

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### 41. Segment Information

	2015 (3 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	718,364,210	454,560,249	53,999,631	976,385,634	179,380,139	77,789,450	(13,335,922)	2,447,143,391
Tax Expense - Final	(34,802,499)	(23,053,065)	(4,932,229)	--	--	--	--	(62,787,793)
Revenues - Net	683,561,711	431,507,184	49,067,402	976,385,634	179,380,139	77,789,450	(13,335,922)	2,384,355,598
Gross Profit	424,214,195	209,570,977	47,254,212	306,956,588	89,647,458	73,229,974	(13,335,922)	1,137,537,482
Selling Expenses	(50,734,742)	(6,295,247)	(12,754,797)	(5,304,225)	(2,969,027)	(24,797,045)	2,251,761	(100,603,322)
General and Administrative Expenses	(153,828,151)	(34,705,110)	(4,827,110)	(226,780,308)	(35,550,659)	(27,956,165)	11,084,161	(472,563,342)
Interest Income	20,818,518	2,450,730	703,808	1,643,628	86,750	130,091	(8,669,368)	17,164,157
Interest Expenses	(41,668,772)	(956,768)	(32,907)	(13,677,232)	(762,541)	(19,614)	8,669,368	(48,448,466)
Other Income (Expenses) - Net	23,982,310	32,712,145	11,627,654	(10,805,536)	(5,098,194)	11,104,965	--	63,523,344
Share in the Profit (Loss) of Associates	(12,745,943)	--	--	--	14,601,435	--	--	1,855,492
<b>Profit Before Tax</b>	<b>210,037,415</b>	<b>202,776,727</b>	<b>41,970,860</b>	<b>52,032,915</b>	<b>59,955,222</b>	<b>31,692,206</b>	<b>--</b>	<b>598,465,345</b>
Tax Benefit (Expense)								
Current	(8,233,161)	--	--	(17,372,824)	(5,256,071)	(4,904,683)	--	(35,766,739)
Deferred	(2,369,539)	--	--	(1,008,044)	1,177,158	--	--	(2,200,425)
<b>Profit for the Period</b>	<b>199,434,715</b>	<b>202,776,727</b>	<b>41,970,860</b>	<b>33,652,047</b>	<b>55,876,309</b>	<b>26,787,523</b>	<b>--</b>	<b>560,498,181</b>
<b>Profit for the year attributable to:</b>								
Owner of the Parent Company	57,606,556	201,461,952	40,688,047	34,529,177	55,876,309	27,207,343	--	417,369,384
Non-Controlling Interest	141,828,159	1,314,775	1,282,813	(877,130)	--	(419,820)	--	143,128,797
	<b>199,434,715</b>	<b>202,776,727</b>	<b>41,970,860</b>	<b>33,652,047</b>	<b>55,876,309</b>	<b>26,787,523</b>	<b>--</b>	<b>560,498,181</b>
Segment Assets	24,839,856,043	7,407,860,904	2,169,961,610	2,926,947,290	721,941,869	1,452,102,288	--	39,518,670,004
Investment in Associates	120,265,359	--	--	--	1,643,413	--	--	121,908,772
<b>Total Assets</b>	<b>24,960,121,402</b>	<b>7,407,860,904</b>	<b>2,169,961,610</b>	<b>2,926,947,290</b>	<b>723,585,282</b>	<b>1,452,102,288</b>	<b>--</b>	<b>39,640,578,776</b>
<b>Segment Liabilities</b>	<b>15,089,685,515</b>	<b>3,392,753,893</b>	<b>478,821,321</b>	<b>837,053,415</b>	<b>69,763,937</b>	<b>258,731,248</b>	<b>--</b>	<b>20,126,809,329</b>
<b>Capital Expenditures</b>	53,681,617	21,052,124	28,218,756	111,685,092	14,246,854	--	--	228,884,443
<b>Depreciation</b>	13,800,022	1,550,042	1,099,599	80,671,268	10,975,453	366,905	--	108,463,289
<b>Non-Cash Expenses Other than Depreciation</b>	19,838,997	--	--	--	--	--	--	19,838,997

  

	2014 (3 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	Rp
Revenues	617,602,216	336,078,065	63,706,118	751,243,026	163,351,613	68,742,162	(3,005,046)	1,997,718,154
Tax Expense - Final	(28,258,133)	(16,965,011)	(5,138,633)	--	--	--	--	(50,361,777)
Revenues - Net	589,344,083	319,113,054	58,567,485	751,243,026	163,351,613	68,742,162	(3,005,046)	1,947,356,377
Gross Profit	358,825,371	158,537,671	57,615,862	213,247,935	87,104,797	65,553,482	(3,005,046)	937,880,071
Selling Expenses	(39,525,654)	(16,078,243)	(17,686,472)	(6,159,088)	(2,015,498)	(16,592,121)	3,005,046	(95,052,030)
General and Administrative Expenses	(143,642,740)	(13,566,212)	(4,289,558)	(159,808,879)	(33,197,073)	(25,781,897)	--	(380,286,359)
Interest Income	8,128,344	2,171,235	309,522	4,403,562	284,495	76,254	--	15,373,412
Interest Expenses	(21,865,252)	(64,754)	(29,869)	(15,440,457)	(751,103)	(215,964)	--	(38,367,399)
Other Income (Expenses) - Net	41,147,273	1,080,736	11,178	(8,172,031)	(7,646,011)	13,177,577	--	39,598,722
Share in the Profit (Loss) of Associates	(5,318,393)	--	--	--	6,073,939	--	--	755,546
<b>Profit Before Tax</b>	<b>197,748,949</b>	<b>132,080,433</b>	<b>35,930,663</b>	<b>28,071,042</b>	<b>49,853,546</b>	<b>36,217,331</b>	<b>--</b>	<b>479,901,964</b>
Tax Benefit (Expense)								
Current	(1,319,199)	--	--	(8,244,875)	(4,172,633)	(5,209,822)	--	(18,946,529)
Deferred	(2,706,197)	--	--	4,667,912	490,425	--	--	2,452,140
<b>Profit for the Period</b>	<b>193,723,553</b>	<b>132,080,433</b>	<b>35,930,663</b>	<b>24,494,079</b>	<b>46,171,338</b>	<b>31,007,509</b>	<b>--</b>	<b>463,407,575</b>
<b>Profit for the year attributable to:</b>								
Owner of the Parent Company	74,756,990	124,743,824	35,520,771	26,880,787	46,171,338	31,007,631	--	339,081,341
Non-Controlling Interest	118,966,563	7,336,609	409,892	(2,386,708)	--	(122)	--	124,326,234
	<b>193,723,553</b>	<b>132,080,433</b>	<b>35,930,663</b>	<b>24,494,079</b>	<b>46,171,338</b>	<b>31,007,509</b>	<b>--</b>	<b>463,407,575</b>
Segment Assets	18,643,742,442	6,417,746,803	1,698,778,723	2,629,770,954	663,893,086	1,430,286,116	--	31,484,218,124
Investment in Associates	129,489,799	--	--	--	1,594,454	--	--	131,084,252
<b>Total Assets</b>	<b>18,773,232,241</b>	<b>6,417,746,803</b>	<b>1,698,778,723</b>	<b>2,629,770,954</b>	<b>665,487,540</b>	<b>1,430,286,116</b>	<b>--</b>	<b>31,615,302,376</b>
<b>Segment Liabilities</b>	<b>12,308,021,915</b>	<b>2,935,133,410</b>	<b>415,583,881</b>	<b>589,263,693</b>	<b>46,153,518</b>	<b>206,029,987</b>	<b>--</b>	<b>16,500,186,404</b>

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	2014 (3 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	Rp
Capital Expenditures	17,281,576	23,998,333	2,244,045	68,107,614	9,158,506	--	--	120,790,074
Depreciation	8,217,459	1,413,228	646,074	62,864,083	9,213,460	513,923	--	82,868,227
Non-Cash Expenses Other than Depreciation	14,265,834	13,210	--	--	--	35,341,800	--	49,620,844

**42. Monetary Asset and Liabilities Denominated in Foreign Currencies**

	March 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
Cash and Cash Equivalents	9,372,986	113,800	73,200,994	237,866	6,376	822,076,754,994
Trade Accounts Receivable	3,351,652	--	3,197,961	--	--	74,259,227,956
Other Current Financial Assets	49,950	--	5,867,704	--	--	56,443,673,051
Total Assets	12,774,588	113,800	82,266,659	237,866	6,376	952,779,656,001
<b>Liabilities</b>						
Trade Accounts Payable	--	--	100,381	--	--	954,422,548
Accrued Expenses	4,880,294	--	437,805	--	--	68,016,416,636
Bonds Payable	803,306,000	--	-	--	--	10,510,455,704,000
Total Liabilities	808,186,294	--	538,186	--	--	10,579,426,543,184
<b>Net Assets (Liabilities)</b>	<b>(795,411,706)</b>	<b>113,800</b>	<b>81,728,473</b>	<b>237,866</b>	<b>6,376</b>	<b>(9,626,646,887,183)</b>
	December 31, 2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
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
<b>Liabilities</b>						
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
<b>Net Assets (Liabilities)</b>	<b>(798,915,409)</b>	<b>113,800</b>	<b>220,268,501</b>	<b>188,113</b>	<b>406,259</b>	<b>(7,856,128,139,397)</b>

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 39.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 Relas Supreme Court of Cassation

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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, Wahyu 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.



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- 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 87/Pdt.G/2015/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,

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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 No. 129/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.
- Based on the cases No. 145/Pdt.Plw/2006/PN.Mks, GMTD is the Defendant of 29,900 sqm land area, located in Tanjung Bunga Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.
- Based on the cases No. 4/G/2015/PN.Mks, GMTD is the Plaintiff of 21,530 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 process of examination in the District Court of Makassar.
- Based on the cases No. 234/ Pdt.Plw/2009/PN.Mks, GMTD is the Plaintiff of 34,758 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 review stage II.

#### **44. Financial Instruments and Financial Risk Management**

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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 accounts receivable and investments. The maximum total credit risks exposure is equal to the amount of the respective accounts.

The Company and Subsidiaries 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

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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:

	March 31, 2015					
	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	2,085,493,819,613	--	--	--	--	2,085,493,819,613
Loans and Receivables						
Cash and Cash Equivalents	3,445,222,900,994	--	--	--	--	3,445,222,900,994
Trade Accounts Receivable	475,490,361,381	296,340,543,960	86,151,424,856	283,109,368,557	665,601,337,373	1,141,091,698,754
Other Current Financial Assets	962,758,056,023	--	--	--	--	962,758,056,023
Due from Related Parties Non-trade	13,367,181,333	--	--	--	--	13,367,181,333
Other Non-Current Financial Assets	562,981,507,547	--	--	--	--	562,981,507,547
Available-for-Sale						
Others Current Financial Asset	5,938,077,531,790	--	--	--	--	5,938,077,531,790
Others Non-Current Financial Asset	58,329,023,011	--	--	--	--	58,329,023,011
Total Financial Assets	13,541,720,381,692	296,340,543,960	86,151,424,856	283,109,368,557	665,601,337,373	14,207,321,719,065

	December 31, 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

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 equivalent, investments and loans.

To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties.

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The following tables show total financial assets and liabilities in foreign currencies as of March 31, 2015 and December 31, 2014:

	March 31, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
Cash and Cash Equivalents	9,372,986	113,800	73,200,994	237,866	6,376	822,076,754,994
Trade Accounts Receivable	3,351,652	-	3,197,961	-	-	74,259,227,956
Other Current Financial Assets	159,392,680	-	636,683,535	-	-	8,139,080,870,298
Other Non-Current Financial Assets	49,950	-	5,867,704	-	-	56,443,673,051
Total Assets	172,167,268	113,800	718,950,194	237,866	6,376	9,091,860,526,299
<b>Liabilities</b>						
Trade Accounts Payable	--	--	100,381	--	--	954,422,548
Accrued Expenses	4,880,294	--	437,805	--	--	68,016,416,636
Bonds Payable	803,306,000	--	--	--	--	10,510,455,704,000
Total Liabilities	808,186,294	--	538,186	--	--	10,579,426,543,184
<b>Net Assets (Liabilities)</b>	<b>(636,019,026)</b>	<b>113,800</b>	<b>718,412,008</b>	<b>237,866</b>	<b>6,376</b>	<b>(1,487,566,016,885)</b>

	December 31, 2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<b>Assets</b>						
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
<b>Liabilities</b>						
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
<b>Net Assets (Liabilities)</b>	<b>(655,158,783)</b>	<b>113,800</b>	<b>819,006,151</b>	<b>188,113</b>	<b>406,259</b>	<b>(426,489,573,657)</b>

**Sensitivity analysis**

A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp24,726,472,610 (2014: Rp12,922,888,981).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp212,060,691,262 (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.

**(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-term revenue is not enough to cover the short-term expenditure.

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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:

	March 31, 2015				
	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	411,559,203,260	--	--	--	411,559,203,260
Accrued Expenses	1,396,574,401,532	--	--	--	1,396,574,401,532
Short-Term Post-Employment Benefits Liability	14,174,363,987	--	--	--	14,174,363,987
Other Current Financial Liabilities	--	--	--	455,807,508,404	455,807,508,404
Short-Term Bank Loan	3,257,058,250	--	--	--	3,257,058,250
Long-Term Bank Loan	12,608,621,439	27,306,597,083	--	--	39,915,218,522
Due to Related Parties Non-trade	--	--	--	4,654,278,119	4,654,278,119
Bonds Payable	--	3,257,274,320,276	7,031,437,068,956	--	10,288,711,389,232
Other Long-Term Financial Liabilities	--	--	--	70,060,687,955	70,060,687,955
<b>Total</b>	<b>1,838,173,648,468</b>	<b>3,284,580,917,359</b>	<b>7,031,437,068,956</b>	<b>530,522,474,478</b>	<b>12,684,714,109,261</b>
	December 31, 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
<b>Total</b>	<b>1,724,923,180,527</b>	<b>3,126,974,454,410</b>	<b>6,684,161,925,880</b>	<b>477,853,410,485</b>	<b>12,013,912,971,302</b>

**(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.

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 Rp59,380,775,317 (2014: Rp55,029,582,631).

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**Fair Value Estimation**

The schedule below presents the carrying amount of the respective categories of financial assets and liabilities :

	March 31, 2015		December 31, 2014	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
<b>Financial Assets</b>				
Fair value through profit or loss				
Derivative	2,085,493,819,613	2,085,493,819,613	1,787,652,313,287	1,787,652,313,287
Loans and Receivable				
Cash and Cash Equivalents	3,445,222,900,994	3,445,222,900,994	3,529,169,475,504	3,529,169,475,504
Trade Accounts Receivable	1,141,091,698,754	1,141,091,698,754	951,103,629,896	951,103,629,896
Other Current Financial Assets	962,758,056,023	962,758,056,023	820,399,687,755	820,399,687,755
Due from Related Parties Non-trade	13,367,181,333	13,367,181,333	14,788,363,567	14,788,363,567
Other Non-Current Financial Assets	562,981,507,547	562,981,507,547	561,596,218,297	561,596,218,297
Available-for-Sale				
Other Current Financial Assets	5,938,077,531,790	5,938,077,531,790	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
<b>Total Financial Assets</b>	<b>14,207,321,719,065</b>	<b>14,207,321,719,065</b>	<b>13,225,996,974,425</b>	<b>13,225,996,974,425</b>
<b>Financial Liabilities</b>				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	411,559,203,260	411,559,203,260	395,133,955,463	395,133,955,463
Accrued Expenses	1,396,574,401,532	1,396,574,401,532	1,125,429,552,800	1,125,429,552,800
Short-Term Post-Employment Benefits Liability	455,807,508,404	455,807,508,404	407,086,748,603	407,086,748,603
Other Current Financial Liabilities	14,174,363,987	14,174,363,987	18,383,620,765	18,383,620,765
Short-Term Bank Loan	3,257,058,250	3,257,058,250	173,540,195,011	173,540,195,011
Long-Term Bank Loan	4,654,278,119	4,654,278,119	3,379,278,119	3,379,278,119
Due to Related Parties Non-trade	39,915,218,522	39,915,218,522	30,525,083,739	30,525,083,739
Bonds Payable	10,288,711,389,232	10,877,133,691,860	9,780,611,296,551	9,991,818,947,200
Other Long-Term Financial Liabilities	70,060,687,955	70,060,687,955	67,387,383,763	67,387,383,763
<b>Total Financial Liabilities</b>	<b>12,684,714,109,261</b>	<b>13,273,136,411,889</b>	<b>12,001,477,114,814</b>	<b>12,212,684,765,463</b>

As of March 31, 2015 and December 31, 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.

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 following are fair value hierarchy for financial assets at year end were recorded using their fair value.

	March 31, 2015 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss - Derivative	2,085,493,819,613	--	2,085,493,819,613	--
Available-for-Sale				
Other Current Financial Assets	5,938,077,531,790	5,938,077,531,790	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

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	December 31, 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

#### 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
Deferred Tax Asset	76,024,196
Other Non-Current Financial Assets	11,347,800
Accrued Expenses	(53,323,621)
Tax Payable	(9,910,944)
Post-Employment Benefits Liability	(304,096,783)
<b>Net Assets</b>	<b>15,205,501,610</b>
Proportion Acquired	100%
Share of Fair Value of Net Assets	15,205,501,610
Goodwill	64,794,498,390
<b>Total Purchase Consideration</b>	<b>80,000,000,000</b>

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.

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**Acquisition of PT Anugerah Bahagia Abadi (ABA)**

On May 12, 2014, the company acquired 100% shares of ABA indirectly through WJP and MS 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 ABA:

	<b>Rp</b>
Cash and Cash Equivalents	23,493,131
Inventories	596,653,057,314
Prepaid Taxes	49,650,000
Advances	6,770,907,000
Due from Related Parties Non-Trade	2,857,325,000
Trade Accounts Payable - Third Parties	(4,421,830,000)
Taxes Payable	(4,060,000)
Non-Controlling Interest	(116,036,290)
Due to Related Parties Non-Trade	(57,917,613,715)
<b>Net Assets</b>	<b>543,894,892,440</b>
Proportion Acquired	100%
Share of Fair Value of Net Assets	543,894,892,440
Goodwill	5,791,607,560
<b>Total Purchase Consideration</b>	<b>549,686,500,000</b>

Goodwill arising from the acquisition amounted to Rp5,791,607,560 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

The Company through its subsidiaries acquire 100% ownership therefore there is no non-controlling interest balance.

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 ABA from the date of acquisition have been consolidated into the financial statements of the Group.

Total revenue and profit before tax of ABA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2014 amounted to Nil.

Revenues and profit of ABA for the year ended December 31, 2014, the date as if ABA had been consolidated from January 1, 2014 amounted to 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.



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The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of RSCM:

	<b>Rp</b>
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 Liabilities	(16,609,381,086)
Long-Term Bank Loan	(68,202,736,290)
Deferred Tax Liabilities	(14,634,088,702)
Other Non-Current Financial Liabilities	(72,162,000)
<b>Net Assets</b>	<b>3,014,222,773</b>
Proportion Acquired	100%
Share of Fair Value of Net Assets	3,014,222,773
Goodwill	101,776,732,211
<b>Total Purchase Consideration</b>	<b>104,790,954,984</b>

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.

#### **46. Non-Cash Transactions**

The following are investing and financing activities which do not affect cash flows:

- For the 3 (three) months period ended March 31, 2015 and 2014, AFS investment derived from the payment of management fees amounted to 1,565,297 and 1,260,084 First REIT units (equivalent to Rp18,442,095,242 and Rp11,499,040,516), respectively, in Bowsprit Capital Corporation Ltd and AFS investment amounted to 14,623,900 and 3,121,424 LMIR Trust (equivalent to Rp47,040,446,050 and Rp11,502,227,379) in LMIRT Management Ltd.

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- As of March 31, 2015, addition of property and equipment in subsidiaries through realization of advance on purchase of property and equipment amounted to Rp20,303,311,070.

**47. Capital Management**

	March 31 2015 Rp	December 31 2014 Rp
<b>Net Liabilities:</b>		
Total Liabilities	20,126,809,328,998	20,114,771,650,490
Less: Cash and Cash Equivalents	(3,445,222,900,994)	(3,529,169,475,504)
<b>Net Liabilities</b>	<b>16,681,586,428,004</b>	<b>16,585,602,174,986</b>
<b>Total Equity</b>	<b>19,513,769,447,430</b>	<b>17,646,449,043,205</b>
Less: Other Components of Equity	(5,973,953,436,848)	(4,524,002,416,188)
<b>Adjusted Equity</b>	<b>13,539,816,010,582</b>	<b>13,122,446,627,017</b>
<b>Net Liability Ratio to Adjusted Equity</b>	<b>1.23</b>	<b>1.26</b>

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.

**48. Restatement of Consolidated Financial Statements**

The Company has restated certain accounts in the consolidated of financial position dated December 31, 2014 in connection with the implementation of PSAK 24 (Revised 2013) as follows:

	Before Restatement Rp	After Restatement Rp
Retained Earnings	6,975,737,954,433	6,987,588,504,296
Other Comprehensive Income	840,369,302,174	828,518,752,311

**49. 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 April 28, 2015.