

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

**Interim Consolidated Financial Statements
As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended
June 30, 2015 and 2014 (Unaudited)**





**DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK & SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 6 (SIX) MONTHS ENDED JUNE 30, 2015**

We the undersigned:

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

State that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Lippo Karawaci Tbk ("the Company");
2. The Company's consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. a. All information contained in the Company's consolidated financial statements is complete and correct;
b. The Company's consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 30 July 2015

PT Lippo Karawaci Tbk

		
Ketut Budi Wijaya President Director		Ninik Prajitno Finance Director

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

Table of Contents

Page

Directors' Statement Letter

Interim Consolidated Financial Statements

**As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended
June 30, 2015 and 2014 (Unaudited)**

Interim Consolidated Statements of Financial Position	1
Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income	3
Interim Consolidated Statements of Changes in Equity	4
Interim Consolidated Statements of Cash Flows	5
Notes to the Consolidated Financial Statements	6

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	June 30, 2015 Rp	December 31, 2014 *) Rp
Current Assets			
Cash and Cash Equivalents	2.c, 2.d, 2.f, 2.x, 3, 9, 42, 44	2,032,790,616,639	3,529,169,475,504
Trade Accounts Receivable	2.x, 2.y, 4, 44		
Third Parties	2.c, 42	1,131,598,660,080	947,553,882,292
Related Parties	2.f, 9	8,348,153,055	3,549,747,604
Other Current Financial Assets	2.c, 2.s, 2.x, 2.y, 5, 40.d, 42, 44	9,866,492,539,596	8,111,010,264,150
Inventories	2.g, 2.l, 2.m, 6	17,934,740,096,111	16,553,035,543,518
Prepaid Taxes	2.u, 17.c	686,870,452,553	621,469,444,851
Prepaid Expenses	2.h, 7, 40.b	281,917,517,788	196,903,364,687
Total Current Assets		31,942,758,035,822	29,962,691,722,606
Non-Current Assets			
Due from Related Parties Non-Trade	2.f, 2.x, 9, 44	35,130,176,802	14,788,363,567
Other Non-Current Financial Assets	2.c, 2.x, 8, 42, 44	634,832,250,397	619,925,241,308
Investment in Associates	2.e, 2.f, 9, 10	295,925,232,338	123,283,762,281
Investment Property	2.i, 2.k, 2.m, 11	418,619,989,973	310,304,754,503
Property and Equipment	2.j, 2.m, 2.y, 12	3,392,820,276,493	3,208,762,510,252
Intangible Assets	2.n, 2.o, 2.y, 13, 45	530,395,510,590	522,577,738,505
Deferred Tax Assets	2.u, 2.y, 17.b	45,121,492,201	52,255,688,231
Advances	14	2,202,149,006,923	1,711,441,680,688
Land for Development	2.g, 15	1,192,596,282,397	1,136,227,496,536
Other Non-Current Non-Financial Assets		98,977,373,911	98,961,735,218
Total Non-Current Assets		8,846,567,592,025	7,798,528,971,089
TOTAL ASSETS		40,789,325,627,847	37,761,220,693,695

*) Restatement (see Note 48)

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	June 30, 2015 Rp	December 31, 2014 *) Rp
LIABILITIES			
Current Liabilities			
Trade Account Payable - Third Parties	2.c, 2.x, 18, 42, 44	511,306,688,427	395,133,955,463
Accrued Expenses	2.c, 2.l, 2.t, 2.x, 16, 42, 44	1,142,277,340,450	1,125,429,552,800
Taxes Payable	2.u, 17.d	227,260,437,473	647,229,469,182
Short-Term Employment Benefits Liabilities	2.f, 2.q, 2.y, 9, 44	17,688,085,079	18,383,620,765
Short-Term Bank Loans	2.x, 19, 44	272,957,384,393	173,540,195,011
Current Portion of Long-Term-Bank Loans	2.x, 21, 44	12,786,401,134	12,435,856,488
Other Current Financial Liabilities	2.x, 20, 42, 44	784,331,359,848	407,086,748,603
Advances from Customers	2.t, 24	2,459,812,659,036	2,456,690,149,393
Deferred Income	2.f, 2.t, 9, 25	411,677,523,936	362,175,439,809
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	129,749,290,844	127,287,435,838
Total Current Liabilities		5,969,847,170,620	5,725,392,423,352
Non-Current Liabilities			
Long-Term Bank Loans	2.x, 21, 44	24,041,740,148	30,525,083,739
Due to Related Parties Non-Trade	2.f, 2.x, 9, 44	3,144,291,330	3,379,278,119
Bond Payable	2.c, 2.p, 2.x, 22, 42, 44	10,495,471,694,589	9,780,611,296,551
Other Non-Current Financial Liabilities	2.x, 44	82,296,849,593	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	29,567,772,738	28,147,868,966
Advance from Customers	2.t, 24	2,409,127,972,689	2,695,672,067,330
Deferred Income	2.f, 2.t, 9, 25	420,244,232,742	418,009,418,689
Deferred Gain on Sale and Leaseback Transactions	2.k, 26, 40.b	1,104,455,925,784	1,147,252,565,727
Total Non-Current Liabilities		14,786,744,743,867	14,389,379,227,138
Total Liabilities		20,756,591,914,487	20,114,771,650,490
EQUITY			
Equity Attributable to Owner of the Parent			
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 Interests	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	7,382,905,569,495	6,987,588,504,296
Other Comprehensive Income	2.q, 32, 48	1,501,430,842,240	828,518,752,311
Total Equity Attributable to Owner of the Parent		17,717,833,993,515	15,605,172,466,823
Non-Controlling Interests	2.n, 33	2,314,899,719,845	2,041,276,576,382
Total Equity		20,032,733,713,360	17,646,449,043,205
TOTAL LIABILITIES AND EQUITY		40,789,325,627,847	37,761,220,693,695

*) 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 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2015 (6 Months) Rp	2014 (6 Months) Rp
REVENUES	2.f, 2.t, 2.y, 9, 34	4,746,941,291,080	4,108,562,225,609
Tax Expenses - Final	2.t, 2.u, 17.a	(122,189,034,500)	(117,388,089,466)
REVENUES - NET		4,624,752,256,580	3,991,174,136,143
COST OF SALES	2.t, 35	(2,489,669,699,268)	(2,186,845,006,503)
GROSS PROFIT		2,135,082,557,312	1,804,329,129,640
Other Income	2.t, 36	178,857,490,231	111,087,299,946
Operating Expenses	2.t, 38	(1,053,079,128,623)	(887,668,982,113)
Other Expenses	2.t, 38	(35,281,115,303)	(31,186,419,116)
PROFIT FROM OPERATIONS		1,225,579,803,617	996,561,028,357
Financial Charges - Net	37	(55,207,939,907)	(46,651,591,939)
Share in the Profit of Associates	2.e, 2.f, 10	2,738,250,979	755,546,188
PROFIT BEFORE TAX		1,173,110,114,689	950,664,982,606
Tax Expenses	2.t, 2.u, 17.a	(115,638,623,850)	(52,458,166,733)
PROFIT FOR THE PERIOD		1,057,471,490,839	898,206,815,873
OTHER COMPREHENSIVE INCOME			
Gain (Loss) from Translation of Financial Statements	2.c, 32	181,299,248,932	(28,729,218,427)
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	2.c, 2.x, 5, 32	519,067,734,461	245,274,569,896
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		700,366,983,393	216,545,351,469
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,757,838,474,232	1,114,752,167,342
Profit for the Period Attributable to:			
Owner of the Parent		775,317,065,199	672,911,101,492
Non-Controlling Interests	2.b	282,154,425,640	225,295,714,381
		1,057,471,490,839	898,206,815,873
Total Comprehensive Income for the Period Attributable to:			
Owner of the Parent		1,448,229,155,128	889,456,452,961
Non-Controlling Interests	2.b	309,609,319,104	225,295,714,381
		1,757,838,474,232	1,114,752,167,342
EARNINGS PER SHARE			
Basic, Profit for the Period Attributable to Ordinary Shareholders of the Parent	2.v, 39	34.05	29.55

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 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Total Equity Attributable to Owner of Parent																		
Notes	Additional Paid-in Capital - Net				Difference in Transactions with Non-Controlling Interests Rp	Difference in Change in Equity of Subsidiaries Rp	Treasury Stock Rp	Retained Earnings			Other Comprehensive Income			Total Rp	Total Rp	Non-Controlling Interests Rp	Total Rp	
	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				Appropriated Rp	Unappropriated Rp	Total Rp	Translation of Financial Statements Rp	Remeasurement on Defined Benefit Plans Rp	Available for Sale Financial Assets Rp					Total 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	
Equity Changes in 2014																		
Disposal of Shares in Subsidiary	29	--	--	--	834,280,276,123	(91,711,963,462)	--	--	--	--	--	--	--	--	742,568,312,661	117,396,433,003	859,964,745,664	
Dividend and Reserved Fund	31	--	--	--	--	--	--	1,000,000,000	(321,000,000,000)	(320,000,000,000)	--	--	--	--	(320,000,000,000)	--	(320,000,000,000)	
Total Comprehensive Income for the Period		--	--	--	--	--	--	--	672,911,101,492	672,911,101,492	(28,729,218,427)	--	245,274,569,896	216,545,351,469	889,456,452,961	225,295,714,381	1,114,752,167,342	
BALANCE AS OF JUNE 30, 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)	8,000,000,000	5,093,363,745,486	5,101,363,745,486	523,974,054,413	--	671,272,648,000	1,195,246,702,413	14,112,899,830,221	1,719,390,388,010	15,832,290,218,231
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
Equity Changes in 2015																		
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	
Dividend and Reserved Fund	31	--	--	--	--	--	--	--	1,000,000,000	(381,000,000,000)	(380,000,000,000)	--	--	--	(380,000,000,000)	--	(380,000,000,000)	
Acquisition of Shares in Subsidiary	29	--	--	--	--	43,851,181,695	--	--	--	--	--	--	--	--	43,851,181,695	(59,185,181,695)	(15,334,000,000)	
Dividend Distribution In Subsidiary		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(3,039,946,182)	(3,039,946,182)
Acquisition of Shares in Subsidiary		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	5,532,617,968	5,532,617,968
Total Comprehensive Income for the Period		--	--	--	--	--	--	--	--	775,317,065,199	775,317,065,199	181,299,248,932	--	491,612,840,997	672,912,089,929	1,448,229,155,128	309,609,319,104	1,757,838,474,232
BALANCE AS OF JUNE 30, 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)	9,000,000,000	7,373,905,569,495	7,382,905,569,495	851,471,394,481	(11,850,549,863)	661,809,997,622	1,501,430,842,240	17,717,833,993,515	2,314,899,719,845	20,032,733,713,360

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 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (6 Months) Rp	2014 (6 Months) Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from Customers	4,307,563,300,959	3,851,106,912,901
Payments to Suppliers	(5,536,372,296,734)	(3,892,820,521,593)
Payments to Employees	(364,928,297,993)	(465,948,626,763)
Interest Received	60,395,183,662	34,595,110,546
Interest Payments	(344,025,111,357)	(278,317,574,260)
Tax Payments	(185,080,544,969)	(174,686,469,908)
Net Cash Used in Operating Activities	<u>(2,062,447,766,432)</u>	<u>(926,071,169,077)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property Equipment	(371,378,952,242)	(239,786,394,797)
Receipt of Dividend	193,531,524,393	128,221,394,650
Receipt of Hotel and Hospital Performance Guarantee	69,000,000,000	69,000,000,000
Acquisition of Investment Property	(120,281,149,002)	(10,990,791,498)
Placement of Restricted Funds	(14,907,009,089)	(30,298,353,690)
Disposal of Share in Subsidiary	1,136,800,000,000	858,000,000,000
Placement of Advances	(490,707,326,235)	(652,340,907,145)
Net Cash Provided by Investing Activities	<u>402,057,087,825</u>	<u>121,804,947,520</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Bond Issuance		
Received	--	1,716,600,000,000
Issuance Cost	--	(42,197,402,492)
Payment to Related Parties - net	(1,769,941,472)	(2,588,648,553)
Bank Loans		
Receipts	270,000,000,000	200,000,000,000
Payments	(176,715,609,561)	(205,974,245,354)
Net Cash Provided by Financing Activities	<u>91,514,448,967</u>	<u>1,665,839,703,601</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,568,876,229,640)	861,573,482,044
Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the period	72,497,370,775	(12,531,923,130)
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	3,529,169,475,504	1,855,051,780,961
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	<u><u>2,032,790,616,639</u></u>	<u><u>2,704,093,339,875</u></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 June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

1. General

1.a. The Company's Establishment

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 30 dated July 03, 2015, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange 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.01.03.0951738 dated July 15, 2015.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers and sports centers, supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's 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 June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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	
						June 30, 2015 Rp	December 31, 2014 Rp
Theta Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	11,000,865,578,756	10,233,632,441,423
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	11,031,457,258,749	10,183,435,340,378
Sigma Capital Pte Ltd*** and Subsidiary	Singapore	investment	100.00%	--	--	5,063,802,769	5,061,361,538
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	4,833,661,919	4,646,411,779
Lippo Karawaci Corporation Pte Ltd**** and Subsidiaries	Singapore	investment, Trading and Services	100.00%	--	--	565,412,897,325	455,785,406,201
LK Reit Management Pte Ltd**** and Subsidiary	Singapore	investment, Trading and Services	--	100.00%	--	565,412,907,220	455,785,415,623
Bowsprit Capital Corporation Ltd****	Singapore	investment, Trading and Services	--	100.00%	2006	565,412,897,325	455,785,406,201
Jesselton Investment Limited*** and Subsidiaries	Malaysia	investment, Trading and Services	100.00%	--	--	502,647,152,301	478,464,512,018
Peninsula Investment Limited*** and Subsidiary	Malaysia	investment, Trading and Services	--	100.00%	--	502,647,165,633	478,464,524,458
LMIRT Management Ltd ****	Singapore	investment, Trading and Services	--	100.00%	2007	502,647,152,301	478,464,512,018
PT Primakreasi Propertindo and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	100.00%	--	--	9,917,320,950,317	7,937,655,412,752
PT Mujur Sakti Graha and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	27,955,330,919	25,546,934,531
PT Surplus Multi Makmur and Subsidiary	Jakarta	Real Estate	--	90.00%	--	46,999,394,246	44,590,731,858
PT Arta Sarana	Bandung	investment, Trading and Services	--	81.00%	--	47,004,556,225	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%	--	662,898,491,044	564,260,253,179
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--	20,153,469,609	20,153,684,173
PT Tata Bangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--	6,496,839,093	6,484,801,290
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	10,472,554,742	10,494,851,647
PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	114,270,097,159	114,452,874,393
PT Safira Prima Utama (2.15% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	956,598,979,416	125,747,926,689
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--	1,059,762,564,613	877,028,352,524
PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)	Tangerang	Development, Trading and Services	--	100.00%	--	62,882,635,512	62,859,299,858
PT Graha Solusi Mandiri and Subsidiary	Jakarta	Services	--	100.00%	--	116,208,550,399	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%	--	837,101,070	837,936,902
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	238,087,160,223	80,585,959,945
PT Mandiri Cipta Gemilang and Subsidiaries	Jakarta	Real Estate	--	100.00%	2003	4,951,596,408,766	4,613,658,074,695
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--	119,540,875,891	98,312,623,408
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--	138,882,908,081	120,443,039,582
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	2,471,587,198	2,473,364,010
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--	294,976,353,973	244,372,362,940

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	67,518,710,334	29,987,464,604
PT Bimasakti Jaya Abadi and Subsidiaries	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011	646,883,114,640	684,601,729,872
PT Kuta Beach Paragon and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	517,928,595,926	468,915,359,383
PT Graha Buana Utama and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	473,474,263,141	449,860,654,085
PT Berkat Langgeng Jaya and Subsidiaries	Tangerang	Development, Trading and Services	--	100.00%	--	474,041,085,141	450,427,476,085
PT Pamor Paramita Utama	Badung	Development, Trading and Services	--	87.50%	2013	463,125,688,422	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%	--	387,562,916,269	324,147,004,722
PT Danisa Indah Cipta and Subsidiary	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	530,245,634	544,184,929
PT Fajarindo Sinar Sakti	Tangerang	Trading Industry, Printing and Services	--	100.00%	--	86,044,446	101,389,170
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--	3,743,040,723	3,743,180,248
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--	1,977,571,508	1,996,146,526
PT Grand Villa Persada (0.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	54,202,078,938	41,753,819,692
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	100.00%	--	15,566,355,499	15,567,249,436
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	46,801,782,507	29,602,681,982
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--	1,853,899,233	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%	--	320,841,840	361,097,840
PT Usahatama Kreatif and Subsidiaries	Tangerang	Development, Trading and Services	--	86.50%	--	418,391,840	458,647,840
PT Kreasi Tunas Bangsa and Subsidiary	Tangerang	Development, Trading and Services	--	87.51%	--	854,142,840	894,398,840
PT Grahata Asri Makmur	Tangerang	Development, Trading and Services	--	87.51%	--	874,891,840	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%	--	5,117,137,838	5,118,094,087
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	36,720,304,841	36,716,926,574
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--	11,237,151,972	11,182,399,840

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 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%	--	60,511,893,712	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%	--	926,620,525,681	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%	--	153,463,197	154,463,197
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	585,380,632	581,980,381
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	--	62,674,732,534	42,633,127,624
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	591,145,495	589,329,126
PT Puri Istana Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	651,967,500	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%	--	516,326,050	514,070,812
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	489,042,517	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 Bowspirit Asset Management (formerly PT Graha and Dinamika)	Jakarta	Perusahaan Efek	--	100.00%	--	23,325,803,321	24,696,754,836
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--	939,798,783	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%	--	72,255,000	73,505,000

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Lumbung Mas Trijaya and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	858,640,607,412	805,675,772,633
PT Karyatama Buana Cemerlang and Subsidiary	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	778,641,547,807	745,594,458,836
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	--	718,354,586,931	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%	--	5,981,359,435	5,981,509,435
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	58,014,582,617	50,502,630,728
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	72,206,260,571	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%	--	88,632,824,051	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 ¹⁾	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

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 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 ¹⁾	Jakarta	Development, Trading, and Services	--	55.00%	--	600,000,000	600,000,000
PT Bandha Mulia Abadi ²⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	11,154,825,000	11,154,900,000
PT Dutamas Cakra Tunggal ³⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Indocitra Mulia Pratama ⁴⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Praja Adikara Utama ⁵⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pusaka Sumber Artha ⁶⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Prima Sentosa Jayaabadi ⁷⁾	Jakarta	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Indahjaya Sukses Abadi ⁸⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Mandara Nusa Loka ⁹⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Garda Utama Manado ¹⁰⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Cipta Bakti Utama ¹¹⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Binaman Cipta Mandiri ¹²⁾	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%	--	--	6,194,077,620,382	5,554,696,500,604
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	6,264,108,920	6,264,108,920
PT Sentra Reallindo Development and Subsidiaries (4.62% ownership in PT Lippo Cikarang Tbk)	Jakarta	Home Improvement	--	100.00%	2001	131,528,194,747	125,456,126,578
PT Dharma Sarana Nusa Pratama and Subsidiary	Tangerang	Real Estate	--	52.70%	1997	84,645,372,495	78,871,020,367
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	6,161,525,005	5,133,315,616
PT Golden Pradamas and Subsidiaries	Tangerang	Real Estate	--	100.00%	--	633,282,805,819	618,852,901,965
PT Mulia Bangun Semesta and Subsidiaries	Tangerang	Real Estate	--	100.00%	2002	675,053,690,289	628,417,382,080
PT Villa Permata Cibodas and Subsidiaries	Tangerang	Real Estate	--	100.00%	1995	204,877,837,184	193,744,121,719
PT Puncak Resort International and Subsidiaries	Cianjur	Real Estate	--	100.00%	1994	75,593,346,697	75,594,996,697
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	22,671,133,374	22,671,635,374
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	8,802,979,567	8,803,481,567
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,182,134,068	7,182,386,068
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,824,659,812	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 ¹³⁾	Jakarta	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Bumi Sawarna Indah ¹⁴⁾	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	383,088,036,158	370,159,105,566

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Sentra Asritama Realty Development and Subsidiaries	Tangerang	Management Water Installation	--	100.00%	1994	211,724,382,795	205,842,879,018
PT Tata Mandiri Daerah Lippo Karawaci and Subsidiary	Tangerang	Town Management	--	100.00%	1999	219,910,879,525	188,838,584,634
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	100.00%	--	20,331,194,078	20,332,287,869
PT Karya Bersama Jaya		Management Water Installation		100.00%	2010	34,678,622,015	30,798,919,227
PT Sentragraha Mandiri	Jakarta	Real Estate	--	100.00%	--	33,363,764,871	33,367,856,443
PT Saptapersada Jagat Nusa	Tangerang	Bowling	--	100.00%	1998	8,110,027,439	8,288,307,254
PT Sejahtera Selaras	Jakarta	Real Estate	--	100.00%	--	13,150,640,112	13,125,265,493
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	16,705,589,793	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	1,028,715,865	964,049,979
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	468,290,000	468,506,000
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,552,367,213	2,554,714,463
PT Prudential Townhouse Development	Tangerang	Real Estate	--	100.00%	--	156,590,985	161,033,503
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Real Estate	--	100.00%	--	7,079,708	7,295,708
PT Wahana Tatabangun Cemerlang	Tangerang	Real Estate	--	100.00%	--	6,698,966	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%	--	15,698,607,115	15,693,826,615
PT Padang Indah City	Tangerang	Trading Development and Services	--	100.00%	--	16,720,697,228	16,730,973,693
Bridgewater International Ltd***	Seychelles	investment and Trading	--	100.00%	2006	4,975,817,099,431	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 ¹⁾	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	494,749,995,271	471,099,995,497
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	--	13,996,822,457	8,882,409,080
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	2014	30,055,132,722	19,759,833,203
PT TMD Depok Manajemen ¹⁾	Jakarta	Services	--	100.00%	--	10,000,000,000	10,000,000,000
PT Dinamika Megah Cemerlang ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentrasemesta Indah Cemerlang ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Wisma Jatim Peropertindo and Subsidiaries (1.23% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Services	100.00%	--	--	4,950,453,533,588	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%	--	3,658,903,006,732	5,695,597,309,696
PT Wahana Usaha Makmur and Subsidiaries	Jakarta	Real Estate	--	100.00%	--	2,174,883,259,180	5,695,540,104,557
PT Almaron Perkasa and Subsidiaries	Jakarta	Real Estate	--	100.00%	2005	2,157,036,405,134	5,681,674,371,674
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	--	29,289,184,362	1,628,887,735
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	100.00%	2013	270,096,119,394	276,004,785,749
PT Prima Aman Sarana	Jakarta	Services	--	100.00%	--	126,889,871,212	116,643,334,519
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	100.00%	--	35,786,909,218	37,200,819,290
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--	26,260,348,084	600,000,000
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	--	21,730,193,701	600,000,000

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Lipposindo Abadi and Subsidiaries	Jakarta	Trading	--	100.00%	--	238,246,901,132	238,276,260,624
PT Kemuning Satalama and Subsidiaries (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,332,822,291	233,361,108,783
PT Megachandra Karyaalestari	Jakarta	Trading	--	100.00%	1992*	284,285,499	284,019,258
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	570,540,944	573,438,194
PT Sentrakharisma Indah	Jakarta	Services	--	80.00%	--	2,172,295,120	2,173,711,120
PT Carakatama Dirgantara and Subsidiary	Jakarta	Trading	--	100.00%	--	69,385,380,308	69,834,348,222
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	69,364,426,682	69,812,701,335
PT Ariasindo Sejati and Subsidiaries	Jakarta	Trading and Services	--	95.00%	--	187,923,452,093	191,748,810,171
PT Unitech Prima Indah and Subsidiary	Tangerang	Real Estate	--	94.69%	2004	191,303,186,828	192,761,131,922
PT Karya Cipta Pesona	Medan	Accommodation service provider	--	94.69%	2014	72,528,922,126	74,896,938,111
PT Metropolitan Leisure Corporation and Subsidiaries	Jakarta	Trading and Services	--	100.00%	--	41,738,727,604	41,557,718,775
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	136,749,849	137,598,822
PT Graha Tata Cemerlang Makasar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	38,838,145,915	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*	4,791,570,695	4,795,177,427
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	347,156,775	349,690,497
PT Dwisindo Jaya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	114,008,775	114,474,044
PT Karunia Alam Damai and Subsidiaries	Jakarta	Trading	--	100.00%	--	202,593,021,318	196,663,052,126
PT Jagatpertaala Nusantara	Depok	Real Estate	--	100.00%	2004	202,593,021,318	196,663,052,126
PT Mulia Mukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	764,000	1,321,000
PT Kemang Village and Subsidiaries	Jakarta	Trading	--	100.00%	--	289,987,402,304	279,875,638,597
PT Menara Bhunimengah and Subsidiaries	Jakarta	Services	--	100.00%	2005	192,370,578,434	189,377,390,443
PT Jaya Usaha Prima and Subsidiary	Jakarta	Real Estate	--	80.00%	--	107,329,042,378	104,335,643,396
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	99.90%	2005	107,327,070,378	104,333,671,396
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	100.00%	--	98,128,653,882	91,009,848,574
PT Menara Perkasa Megah and Subsidiaries	Surabaya	Real Estate and Urban Development	--	100.00%	2005	501,317,398,964	496,292,902,223
PT Pelangi Cahaya Intan Makmur and Subsidiaries	Surabaya	Trading	--	87.50%	--	411,652,002,694	405,866,682,928
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	--	87.50%	2005	390,413,686,528	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, Agrobusinis, Transportation, Trading and Services	--	100.00%	--	961,026,744,815	779,553,625,206
PT Lippo Malls Indonesia and Subsidiaries	Tangerang	Services	--	100.00%	2002	961,093,526,915	779,806,682,710
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	2013	1,335,997,228,155	4,186,335,003
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--	20,475,709,245	79,453,666,600
PT Mulia Citra Abadi	Yogyakarta	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	2012	449,883,136,952	345,113,361,598
PT Nusa Bahana Semesta ¹⁾	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Sky Parking Indonesia ¹⁾	Tangerang	Development, Trading and Services	--	100.00%	--	39,199,138,515	21,000,000,000
PT Sky Parking Nusantara ¹⁾	Tangerang	Development, Trading and Services	--	100.00%	--	39,199,138,515	--
PT Sky Parking Utama ¹⁾	Tangerang	Development, Trading and Services	--	100.00%	--	39,199,137,515	--

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Gayana Sumber Cipta and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	--	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%	--	564,650,000	4,501,044,310
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--	--	578,150,000
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--	10,287,588,054	586,400,000
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	563,650,000	5,046,378,129
PT Lembayung Karya Niwana	Jakarta	Development, Trading and Services	--	100.00%	--	572,650,000	577,150,000
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	251,163,287,361	587,150,000
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--	589,000,000	251,058,661,491
PT Prima Pratama Gemilang ²⁾	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%	--	107,565,290,684	102,500,564,787
PT Grand Provita and Subsidiary (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Real Estate	--	100.00%	--	469,156,900	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%	--	14,122,400	16,667,400
PT Anugerah Bahagia Abadi and Subsidiaries ²⁾	Jakarta	Real Estate	--	100.00%	--	523,799,627,344	426,465,498,672
PT Internusa Prima Abadi and Subsidiary ²⁾	Jakarta	Real Estate	--	85.00%	--	524,385,235,374	1,013,883,079
PT Bangun Bina Bersama and Subsidiary ²⁾	Jakarta	Real Estate	--	99.99%	--	523,899,817,874	426,462,547,802
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	100.00%	--	157,524,612,503	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%	--	83,298,068,984	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%	--	68,429,597,219	69,231,905,196
PT Menara Megah Tunggal and Subsidiary	Jakarta	Real Estate	--	100.00%	--	68,293,321,270	69,095,997,694
PT Trias Mitra Investama	Binjai	Real Estate	--	100.00%	2005	68,122,210,855	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%	--	573,175,000	575,175,000
PT Direct Power and Subsidiaries	Bogor	Trading, Real Estate, Industry, Printing, Agrobusiness, Transportation and Services	--	100.00%	2007	124,705,567,602	124,629,800,619
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Development, Industry, Mining, Agrobusiness, Transportation and Services	--	80.00%	--	42,047,251,928	41,971,484,946
PT Bellanova Country Mall	Bogor	Development, Transportation and Services	--	80.00%	2005	41,957,321,928	41,881,554,945
PT Sarana Global Multindo and Subsidiaries	Jakarta	Development, Transportation and Services	--	100.00%	--	520,763,340,291	355,465,506,039
PT Guna Sejahtera Karya and Subsidiaries	Jakarta	Development, Industry, Agrobusiness, Landscape Trading and Services	--	100.00%	--	520,262,521,200	403,656,624,893

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Citra Sentosa Raya and Subsidiaries	Jakarta	Trading, Real Estate, Industry, Agrobusiness, Transportation and Services	--	100.00%	--	572,769,608,334	516,676,784,304
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Agrobusiness, Pertamanan and Services Investment	--	100.00%	--	19,293,692,833	27,300,259,404
Rosenet Limited**** and Subsidiary	British Virgin Island	Investment	--	100.00%	--	551,995,374,818	546,201,825,184
Sea Pejaten Pte. Ltd****	Singapore	Investment	--	100.00%	--	43,258,360,274	546,201,825,184
Continental Investment Limited****	Malaysia	Investment, Trading and Services	--	100.00%	--	27,774,956	25,916,625
PT Sandiego Hills Memorial Park and Subsidiary	Karawang	Trading, Development, Transportation and Services	--	100.00%	2006	528,578,965,518	448,980,687,326
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010	80,897,262,394	68,225,906,669
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	582,246,161	582,762,161
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,455,357,000	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%	--	1,673,497,537	1,673,963,537
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	1,748,496,537	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%	--	73,251,000	674,251,000
PT Holland Village Manado ¹⁾	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	70,000,000	71,000,000
PT Wismacahaya Sentosa Megah ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Ciptaindah Selaras Persada ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Asri Griya Utama ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	1,673,497,537	600,000,000
PT Cakrawala Semesta Abadi ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	586,232,000	600,000,000
PT Sarana Sentosa Propertindo ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	1,828,188,182	600,000,000
PT Bahana Megah Pratama and Subsidiary ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	567,349,935	600,000,000
PT Bahana Perisai Abadi ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	567,349,935	600,000,000
PT Cahaya Puspita Raya ¹⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	589,000,000	600,000,000

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Karyaalam Indah Lestari ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Prakarsa Dinamika Unggul ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Setra Bumi Utama ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	588,000,000	--
PT Taruna Multi Utama ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	1,981,537,500	--
PT Tirta Sentosa Dinamika ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Pinus Permai Sejahtera ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	5,184,984,596	--
PT Emas Makmur Cemerlang ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	10,893,900,000	--
PT Asri Griya Terpadu ²⁾	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	49,990,025,000	--
PT Lippo Cikarang Tbk and Subsidiaries	Bekasi	Real Estate	--	54.37%	1989	5,054,922,829,902	4,309,824,234,265
PT Great Jakarta Inti Development and Subsidiary	Bekasi	Town Development Real Estate	--	54.37%	1992	294,064,527,301	166,167,908,743
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	17,887,449,914	18,106,103,848
PT Tunas Pundi Bumi	Bekasi	Town Development	--	54.37%	2010	238,000,205,325	220,879,340,910
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	26,668,571,347	26,675,274,843
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	609,740,743	574,166,188
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	9,258,849,214	8,905,263,816
PT Chandra Mulia Adhitharma	Bekasi	Property Management	--	54.37%	2011	26,464,301,836	47,947,330,121
PT Tirta Sari Nirmala	Bekasi	Water and Waste Treatment	--	54.37%	2011	79,713,464,242	70,243,590,666
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2011	503,259,300,759	504,659,575,649
PT Swadaya Teknopolis	Bekasi	Real Estate	--	54.37%	2009	398,948,452,811	250,000,000
Premium Venture International Ltd	British Virgin Island	Investment	--	54.37%	2015	166,471,288,149	--
Intellitop Finance Ltd	British Virgin Island	Investment	--	28.12%	2015	396,947,540,201	--
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%	--	81,813,520,669	85,140,741,861
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services	--	54.37%	--	26,336,624,729	27,801,089,340
PT Manunggal Utama Makmur	Tangerang	Real Estate	--	54.37%	--	595,163,277	592,353,788
PT Mahkota Sentosa Ekanusa	Bekasi	Real Estate	--	54.37%	--	18,619,475,396	18,632,125,396
PT Mega Kreasi Teknika	Bekasi	Building Construction	--	54.37%	--	292,315,499	262,498,497
PT Astana Artha Mas	Tangerang	Real Estate	--	54.37%	--	133,286,187,863	132,773,308,048
PT Mega Kreasi Nusantara Teknologi	Bekasi	Real Estate	--	54.37%	--	3,000,000,000	3,000,000,000
PT Pondera Prima Sarana	Tangerang	Real Estate	--	54.37%	--	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%	--	41,957,830,000	41,950,330,000
PT Megakreasi Cikarang Damai	Tangerang	Real Estate	--	54.37%	--	6,209,538,745	2,979,317,511
PT Megakreasi Cikarang Permai	Tangerang	Real Estate	--	54.37%	--	500,000,000	500,000,000
PT Megakreasi Cikarang Asri ¹⁾	Bekasi	Real Estate	--	40.78%	--	32,994,382,620	33,000,800,000
PT Megakreasi Proptertindo Utama ¹⁾	Bekasi	Real Estate	--	40.78%	--	64,714,795,553	33,000,817,000
PT Megakreasi Cikarang Realtindo	Bekasi	Town Development	--	40.78%	--	6,944,659,517	--
PT Megapratama Karya Persada and Subsidiaries	Tangerang	investment, Trading and Services	100.00%	--	--	5,134,219,332,912	5,041,931,170,285
PT Siloam International Hospitals Tbk and Subsidiaries	Tangerang	Healthcare Service	--	78.85%	2010	2,977,562,644,521	2,844,085,512,104
PT Aritasindo Permaisemesta	Jakarta	Trading, Development, Mining, Agriculture	--	78.85%	--	76,942,018	78,124,746
PT Perdana Kencana Mandiri	Jakarta	Land Transport, Printing and Industry	--	78.85%	--	520,403,206	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)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	78.85%	--	447,932,325	448,067,441
PT Nusa Medika Perkasa	Jakarta	Healthcare Service,	--	58.00%	--	946,696,305	926,687,462
PT Siloam Graha Utama and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	78.85%	--	131,681,988,671	142,511,589,460
PT East Jakarta Medika	Bekasi	Healthcare Service	--	68.43%	2002	131,663,100,158	142,492,350,947
PT Guchi Kencana Emas and Subsidiary	Jakarta	Development, and Services	--	78.83%	--	83,084,024,764	88,570,503,605
PT Golden First Atlanta	Jambi	Healthcare Service	--	65.43%	2008	83,053,722,609	88,539,839,436
PT Prawira Tata Semesta and Subsidiary	Jakarta	Development, and Services	--	78.85%	--	229,089,717,814	237,404,060,017
PT Balikpapan Damai Husada	Balikpapan	Healthcare Service	--	62.77%	2007	189,871,853,460	198,183,010,595
PT Siloam Emergency Services	Tangerang	Healthcare Service	--	78.85%	--	2,628,018,531	2,624,415,127
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading Industry and Services	--	78.85%	2013	3,374,923,763	2,177,323,630
PT Pancawarna Semesta and Subsidiary	Tangerang	Trading, Industry and Services	--	78.85%	--	69,824,348,401	70,026,074,020
PT Diagram Healthcare Indonesia	Depok	Healthcare Service	--	63.08%	2006	39,267,466,842	39,467,645,852
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	78.85%	--	1,013,486,666	995,085,833
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	78.85%	--	605,033,333	605,403,333
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	78.85%	--	594,783,333	597,340,833
PT Kusuma Primaanda and Subsidiaries	Tangerang	Trading, Industry and Services	--	78.85%	--	115,838,660,871	102,195,707,668
PT Adijaya Buana Sakti and Subsidiaries	Tangerang	Trading, Industry and Services	--	63.08%	--	115,834,477,538	102,188,966,835
PT Siloam Sumsel Kemitraan and Subsidiary	Tangerang	Trading, Industry and Services	--	74.16%	--	8,003,158,670	8,003,625,337
PT RS Siloam Hospital Sumsel	Palembang	Healthcare	--	67.51%	2012	116,810,946,923	103,163,599,553
PT Optimum Karya Persada	Jakarta	Trading Industry and Services	--	78.85%	--	1,015,738,633	1,017,232,500
PT Rosela Indah Cipta	Jakarta	Trading Industry and Services	--	78.85%	--	594,783,333	597,153,333
PT Sembada Karya Megah	Tangerang	Trading Industry and Services	--	78.85%	--	614,784,490	617,340,833
PT Trijaya Makmur Bersama	Tangerang	Trading Industry and Services	--	78.85%	--	594,783,333	597,340,833
PT Visindo Galaxi Jaya	Tangerang	Trading Industry and Services	--	78.85%	--	4,992,983,333	4,993,540,833
PT Tunggal Pilar Perkasa and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	997,856,000,172	902,863,440,805
PT Tirtasari Kencana	Serang	Development, Trading and Services	--	78.85%	--	1,129,843,218	1,130,696,718
PT Gramari Prima Nusa	Medan	Development, Trading, Printing and Services	--	78.85%	--	147,381,867,408	130,585,488,531
PT Krisolis Jaya Mandiri	Kupang	Healthcare	--	78.85%	--	106,524,173,017	69,331,687,626
PT Kusuma Bhakti Anugerah	Tangerang	Trading Industry and Services	--	78.85%	--	7,198,217,181	7,199,648,894
PT Agung Cipta Raya	Tangerang	Healthcare	--	78.85%	--	972,260,000	972,630,000
PT Bina Cipta Semesta	Padang	Healthcare	--	78.85%	--	1,010,933,474	1,012,427,500
PT Mega Buana Bhakti	Pangkal Pinang	Trading Industry and Services	--	78.85%	--	6,300,553,781	5,982,333,520

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Taruna Perkasa Megah	Yogyakarta	Trading Industry and Services	--	78.85%	--	64,206,380,153	19,014,504,078
PT Tataka Bumi Karya	Bogor	Trading Industry and Services	--	78.85%	--	707,029,967	610,452,500
PT Tataka Karya Indah	Bandung	Trading Industry and Services	--	78.85%	--	833,607,915	837,254,382
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry, and Services	--	78.85%	--	8,642,766,314	3,388,608,668
PT Koridor Usaha Maju and Subsidiaries	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	463,571,085,042	458,363,437,079
PT Medika Sarana Triliansia and Subsidiary	Bali	Development, Trading, Printing and Services	--	78.85%	2008	247,006,686,384	256,054,381,752
PT Trisaka Raksa Waluya	Tangerang	Special Healthcare Services and Services	--	78.85%	2008	131,271,340,936	132,992,756,044
PT Buana Utama Sejati ¹⁾	Tangerang	Services Service	--	78.85%	--	22,443,833,967	16,312,100,196
PT Sentra Sejahtera Utama ¹⁾	Tangerang	Services Service	--	78.85%	--	600,000,000	600,000,000
PT Berlian Cahaya Indah	Sorong	Services Service	--	78.85%	2008	87,008,058,935	45,004,044,700
PT Rashal Siar Cakra Medika ¹⁾	Jakarta	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	56,730,153,033	53,352,264,266
PT Mulia Pratama Cemerlang ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	1,500,743,608	600,000,000
PT Karya Pesona Cemerlang ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,550,000	600,000,000
PT Indah Kemilau Abadi ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,550,000	600,000,000
PT Persada Dunia Semesta ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,000,000	600,000,000
PT Inti Pratama Medika ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,750,000	600,000,000
PT Sentra Sehat Sejahtera ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,550,000	600,000,000

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Genta Raya Internusa ¹⁾	Tangerang	Trading, Development, Real Estate, Industry, Printing, Agrobusiness, Services and Transportation	--	78.85%	--	600,600,000	600,000,000
PT Sembilan Raksa Dinamika ¹⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	4,860,627,351	600,000,000
PT Saritama Mandiri Zamrud ¹⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Gempita Nusa Sejahtera ¹⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Aryamedika Teguh Tunggal ¹⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	600,000,000
PT Mahkota Buana Selaras ¹⁾	Tangerang	Development, Trading, Printing and Services	--	78.85%	--	37,699,077,782	38,623,709,806
PT Bumi Unggul Persada ²⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Lintas Buana Jaya ²⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Bina Bahtera Sehati ²⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Lintas Laksana Utama ²⁾	Tangerang	Hospital Service Clinic, Polyclinic and Treatment Clinic	--	78.85%	--	600,000,000	--
PT Ciptakarya Tirta Cemerlang ²⁾	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%	--	1,355,455,730,165	1,075,613,293,094
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	378,952,740,091	381,154,412,415
PT Siloam Dinamika Perkasa	Jakarta	Trading, Development, Transportation and Services	--	100.00%	--	133,833,329,993	135,440,651,110
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	3,357,064,837	3,365,647,721
PT Sentra Sarana Karya	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	3,357,064,837	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%	--	474,895,841,053	489,542,770,676
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Mining	0.01%	99.99%	--	3,613,672,920	19,805,000
PT Kalanusa Intan Cemerlang and Subsidiary	Tangerang	Trading Development Printing and Services	--	100.00%	--	4,259,900,000	4,259,900,000
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	100,000,000

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Cahaya Jaya Raya ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Waluya Graha Loka ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	270,275,980,765	600,000,000
PT Nusantara Indah Semesta ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	22,994,078,216	600,000,000
PT Magenta Sinar Abadi ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Pesona Puspita Gemilang ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Caraka Cipta Sejahtera ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Sentra Mutiara Timur ¹⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	600,000,000
PT Tiara Permata Gemilang ²⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Berkat Talenta Unggul ²⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Laskar Unggulan Prima ²⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Sentana Prima Jaya ²⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Buana Digdaya Sejahtera ²⁾	Tangerang	Trading Development, Printing and Services	--	100.00%	--	600,000,000	--
PT Abadi Jaya Sakti and Subsidiaries	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	577,031,300
PT Tigamitra Ekamulia and Subsidiaries	Jakarta	General	0.01%	99.99%	1998*	520,920	520,920
PT Shimatama Graha	Jakarta	Restaurant, Cafe and Catering	--	100.00%	1989	7,080,751,730	5,841,821,996
PT Aryaduta International Management and Subsidiaries	Jakarta	Hotel Management	--	100.00%	1998	13,118,629,122	13,376,094,582
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	587,904,003	588,906,447
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	587,644,000	588,878,000
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	37,435,752,919	22,947,378,366
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	598,181,500	593,327,000
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	4,083,357,421	3,156,413,733
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	580,506,500	581,740,500
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	100,000,000
PT Lippo Hotel Indonesia and Subsidiaries	Tangerang	Services	75.00%	25.00%	--	600,000,000	600,000,000
PT Aryaduta Kuta Bali	Badung	Tourism	--	100.00%	--	600,000,000	600,000,000
PT Cahaya Gemerlap Abadi ¹⁾	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%	--	--	1,694,918,145,885	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%	--	1,653,443,985	1,048,135,730
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	18,096,846,227	11,737,065,174
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	24,819,066,959	15,697,407,503
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	24,054,070,694	15,206,784,862
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--	18,099,262,184	11,448,214,800
PT Nuansa Indah Lestari and Subsidiaries	Jakarta	Trading	--	100.00%	--	202,185,567,294	142,252,148,482
PT Metropolitan Permaisemesta and Subsidiaries	Jakarta	Trading	--	89.74%	--	205,851,182,394	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%	--	201,692,609,016	138,073,158,204
PT Gowa Makassar Tourism Development Tbk and Subsidiaries	Makassar	Real Estate	4.92%	52.36%	1997	1,613,449,598,557	1,524,317,216,546

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Starting Operation	Total Assets	
						June 30, 2015 Rp	December 31, 2014 Rp
PT Kenanga Elok Asri and Subsidiaries	Tangerang	Development, Trading, Printing and Services		57.28%	--	598,786,567,966	580,527,450,840
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%	--	593,881,726,300	578,018,813,753
PT Griya Megah Sentosa ¹⁾	Tangerang	Trading, Development, Printing and Services	--	57.28%		4,885,945,584	2,389,906,938
PT Griya Eksotika Utama	Tangerang	Development, Trading, Printing and Services	--	57.28%	--	193,738,709	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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

On June 29, 2015, PT Swadaya Teknopolis (ST), a subsidiary, acquired 100% ownership in Premium Venture International Ltd (PVIL), with acquisition cost of Rp170,100,000,000. This transaction is a business combination (see Note 45). PVIL has 51.72% shares of ownership in Intellitop Finance Ltd (IFL).

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

Based on the partial decision of Extraordinary General Meeting of Stockholders No. 30 dated July 3, 2015 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. 10 dated April 23, 2014 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 June 30, 2015 and December 31, 2014 are as follows:

	June 30, 2015	December 31, 2014
Board of Commissioners:		
President Commissioner	: Theo L. Sambuaga	Theo L. Sambuaga
Vice President Commissioner	: Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	: --	Tanri Abeng
Independent Commissioner	: Agum Gumelar	Agum Gumelar
Independent Commissioner	: Farid Harianto	Farid Harianto
Independent Commissioner	: Muladi	Muladi
Independent Commissioner	: Sutiyoso	Sutiyoso
Commissioner	: Gouw Viven (Viven G Sitiabudi)	Gouw Viven (Viven G Sitiabudi)
Commissioner	: Tanri Abeng	Benny Haryanto Djie

* also as Independent Commissioner

The composition of the Directors as of June 30, 2015 and December 31, 2014 are as follows:

	June 30, 2015	December 31, 2014
Directors:		
President Director	: Ketut Budi Wijaya	Ketut Budi Wijaya
Director	: Tjokro Libianto	Tjokro Libianto
Director	: Johanes Jany	Djoko Harjono*
Director	: Rahmawaty	Rahmawaty
Director	: Stephen Choo Kooi Yoon	Stephen Choo Kooi Yoon
Director	: Ninik Prajitno	Ninik Prajitno
Independent Director	: Jenny Kuistono	Jenny Kuistono
Independent Director	: Alwi Sjaaf	--

* Effective resign on September 15, 2014 as reported to OJK based on letter No. 117/LK-COS/VIII/2014 dated August 14, 2014

The Audit Committee composition as of June 30, 2015 and December 31, 2014 are as follows:

Audit Committee :	
Chairman	: Muladi
Member	: Herbudianto
Member	: Achmad Kurniadi

The Company's corporate secretary as of June 30, 2015 and December 31, 2014 are Sri Mulyati Handoyo and Jenny Kuistono, respectively.

As of June 30, 2015 and December 31, 2014, the Group have 11,129 and 11,129 employees, respectively (unaudited).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

2. Summary of Significant Accounting Policies

2.a. Compliance with Financial Accounting Standards (SAK), Measurement and Preparation of Consolidated Financial Statements

The Group's consolidated financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards which include the Statements and the Interpretations issued by Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI) and Regulation of Capital Market Supervisory Agency and Financial Institution No. VIII.G.7 regarding the "Guidance of Financial Statements Presentation" as set forth in Decree No. KEP-347/BL/2012 regarding the amendment to Regulation No. VIII.G.7 and other accounting policies prevailing in the Capital Market.

The consolidated financial statements have been prepared on the going concern assumption and on the accrual basis, except for the consolidated statements of cash flows which used the cash basis. The basis of measurement in the preparation of these consolidated financial statements is the historical cost principle, except for certain accounts that were measured using other basis, as described in the respective accounting policy.

The consolidated statements of cash flows are presented by classifying the activities into operating, investing and financing. The cash flows from operating activities were prepared using the direct method.

Functional currency of the Group is Rupiah, except for some subsidiaries as disclosed in Note 1.c. Transactions are recorded using the functional currency. The reporting currency used in the preparation of these consolidated financial statements is Rupiah.

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 Benefits
- 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
- PSAK No.68 : Fair Value Measurement
- ISAK No.26 (Revised 2014) : 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

The existence and effect of potential voting rights that can be implemented or converted on the date of the reporting period should be considered when assessing whether an entity has the power to govern financial and operating policies of another entity.

The entities are consolidated from the date on which effective control was transferred to the Company and are no longer consolidated when the Company ceases to have effective control. Control exists when the entity has the power to govern the financial and operating policies of the entity and get benefits from the activities of the said entity.

The consolidated financial statements have been prepared on the basis of entity concept. All significant related intercompany accounts, transactions and profits among the consolidated companies have been eliminated to reflect the financial position and result of operations as a whole entity.

The changes in the Group's ownership interest that do not result to a loss of control are accounted for as equity transactions and attributed to the owners of the parent.

All major transactions and inter-company account balances (including significant unrealized gain or loss) has been eliminated.

Non-controlling interest reflects equity in net earnings or losses and net assets of Subsidiaries which are not directly or indirectly attributable to parent company, and is presented under consolidated statement of comprehensive income and equity in the consolidated statement of financial position, separated from portion which are attributable to parent company.

2.c. Foreign Currency Transactions and Translation of Consolidated Financial Statements

Foreign currency is a currency other than the functional currency. Transactions involving foreign currencies are recorded at the exchange rates prevailing at the time the transactions are made.

At the reporting date, monetary assets and liabilities denominated in foreign currencies were adjusted to reflect the exchange rates prevailing at the time, with the following conversion rates:

	June 30, 2015	December 31, 2014
	Rp	Rp
1 USD	13,332	12,440
1 SGD	9,895	9,422
1 EUR	14,920	15,133
100 JPY	10,895	10,425
1 AUD	10,218	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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

2.e. Investment in Associates

An associate is an entity in which the investor (i.e., the Company or subsidiary, which acts as an investor) has a significant influence to participate in decision making on financial and operational policies of the investee, but does not control or jointly control those policies. Significant influence is presumed to exist if the investor owns 20% or more of the voting rights of the investee, either directly or indirectly.

Investment in associates are initially recognized at cost. The carrying amount is increased or decreased by the share in the profit or loss of the investee after the date of acquisition in proportion with the percentage of ownership and reduced by dividends received (equity method).

The carrying amount is also adjusted if there is a change in the investor's proportionate interest in the investee arising from the investee's other comprehensive income. Those changes are recognized in other comprehensive income of the investor.

2.f. Transaction with Related Parties

In a normal business transaction, the Group has transactions with related parties. Related party is the person or entity that is related to the Group (referred to as the "reporting entity"), which includes:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

2.g. Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping center, residential houses, shophouses, office buildings, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest and other financing charges obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

Inventories of healthcare business (e.g., medicines, medical supplies and others) are carried at the lower of cost and NRV. Cost is determined by using the average method. Allowance for decline in inventory value is provided based on a review of inventory status at the end of 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Tools and Medical Equipment	3 - 10
Machinery and Project Equipment	3 - 10
Bowling Machinery	10
Playground Areas	5

The cost of repairs and maintenance is charged to operation as incurred while significant renovations and additions are capitalized. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of comprehensive income for the 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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

the same basis as operating rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.

Sale and Leaseback:

A sale and leaseback transaction involves the sale of an asset and leasing back the same asset. If a sale and leaseback transaction is a finance lease, any excess of sales proceeds over the carrying value is not immediately recognized as income in the financial statements of a seller (lessee) but is deferred and amortized over the lease period.

If a sale and leaseback transaction is an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognized immediately. If the sales price is below fair value, any profit or loss is recognized immediately except if the loss is compensated by future lease payments below market price where it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sales price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

2.l. Borrowing Cost

Borrowing costs incurred on loan and debt obtained to finance the acquisition and development of land and building construction are capitalized to the respective real estate inventories. This cost include interest expense calculated using the effective interest method and foreign exchange differences that they are regarded as an adjustment to interest cost. Capitalization ceases upon completion of all activities related to the acquisition and development of land, or upon completion of the construction and when the assets are ready for their intended use.

2.m. Impairment of Non-Financial Assets

Recoverable amount of non financial assets shall be estimated whenever events and changes of circumstances indicate that the carrying value may not be recoverable. Impairment of non-financial asset is recognized as loss for the 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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

- awards are measured in accordance with PSAK No. 53 (Revised 2010), "Share-based Payment".
- Non-current assets (or disposal groups) acquired which classified as held for sale are measured in accordance with PSAK No. 58 (Revised 2009), "Non-current Assets Held for Sale and Discontinued Operations".

2.o. Intangible Assets

Goodwill

Goodwill arising in a business combination is recognized as an asset on the date that the control is acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities taken over.

Goodwill is not amortized but is reviewed for impairment at least annually or more frequently when there is an indication that the goodwill may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in the subsequent 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

- (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,

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

3. Cash and Cash Equivalents

	June 30 2015 Rp	December 31 2014 Rp
Cash		
(include 2015: USD 2,564, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376; 2014: USD 2,564, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376)	8,260,317,132	6,620,446,207
Bank		
Third Parties		
<u>Rupiah</u>		
PT Bank Permata Tbk	28,524,060,476	237,174,662,552
PT Bank CIMB Niaga Tbk	306,189,461,020	320,481,703,637
PT Bank Negara Indonesia (Persero) Tbk	111,864,809,049	118,442,528,427
PT Bank Central Asia Tbk	30,299,157,115	57,811,715,043
PT Bank Mandiri (Persero) Tbk	19,048,377,008	28,035,605,515
PT Bank Rakyat Indonesia (Persero) Tbk	24,345,123,467	16,645,255,187
PT Bank Mega Tbk	9,824,265,411	16,547,697,141
PT Bank Danamon Indonesia Tbk	10,017,026,272	10,713,599,454
PT Bank Internasional Indonesia Tbk	3,760,333,507	2,986,264,647
PT Bank OCBC NISP Tbk	7,601,362,412	3,841,943,155
PT Bank Tabungan Negara (Persero) Tbk	2,472,496,648	1,951,326,092
Others (Each bellow Rp1 billion)	4,262,339,614	4,392,874,950
<u>Foreign Currency</u>		
PT Bank Negara Indonesia (Persero) Tbk		
USD	7,486,484,359	8,950,532,697
SGD	132,635,836,282	519,085,305,443
BNP Paribas, Singapore		
USD	156,579,561,945	54,895,277,406
SGD	12,214,278,909	71,383,502,267
PT Bank CIMB Niaga Tbk		
USD	6,122,881,279	14,565,105,541
SGD	57,218,530,668	836,974,421,943
OCBC Bank, Singapore - SGD	80,884,464,087	50,950,462,884
PT Bank Permata Tbk		
USD	7,763,822,340	7,412,647,182
SGD	107,305,527,319	9,424,726,727
PT Bank OCBC NISP Tbk		
USD	3,429,240,242	3,231,417,386
SGD	82,056,131,433	358,434,677,891
EUR	92,848,652	94,174,172
PT Bank ANZ Indonesia		
USD	2,858,374,134	9,572,022,812
SGD	2,585,555,567	4,086,002,246
EUR	1,323,619,654	2,679,901,063
PT Bank Mega Tbk		
USD	1,931,576,290	2,517,140,451
SGD	2,318,777,182	2,206,932,491
PT Bank Internasional Indonesia Tbk - SGD	3,405,575,666	17,348,651,129
Others (each bellow Rp1 billion)	2,016,932,882	1,719,989,289

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	June 30 2015 Rp	December 31 2014 Rp
Related Party		
<u>Rupiah</u>		
PT Bank Nationalnobu Tbk	358,640,765,119	347,242,393,752
	<u>1,587,079,596,008</u>	<u>3,141,800,460,572</u>
Time Deposits		
Third Parties		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	176,790,070,047	126,728,127,142
PT Bank Negara Indonesia (Persero) Tbk	142,550,000,000	97,646,596,412
PT Bank Mega Tbk	53,000,000,000	3,000,000,000
PT Bank Mandiri (Persero) Tbk	36,111,377,958	9,400,530,387
PT Bank Mayapada International Tbk	43,253,393	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	4,833,661,919	4,633,865,666
SGD	16,841,442,383	61,504,402,084
PT Bank CIMB Niaga Tbk - USD	108,264,863	108,264,766
OCBC Bank, Singapore - SGD	--	74,560,695,591
	<u>437,450,703,499</u>	<u>380,748,568,725</u>
Total	<u>2,032,790,616,639</u>	<u>3,529,169,475,504</u>

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

	June 30 2015	December 31 2014
Interest Rates		
Rupiah	3.00% - 6.50%	3.00% - 10.00%
Foreign Currency	0.50% - 3.00%	0.50% - 3.00%
Maturity Period		
	0 - 3 Months	0 - 3 Months

4. Trade Accounts Receivable

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Urban Development:		
Land Lots	119,772,814,940	51,067,566,957
Memorial Park	21,222,190,687	22,855,595,423
Residential Houses and Shophouses	24,326,309,952	25,800,187,442
Asset Enhancements	26,943,367,533	39,223,150,633
Others	15,817,747,191	15,817,747,188
Subtotal	<u>208,082,430,303</u>	<u>154,764,247,643</u>

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	June 30 2015 Rp	December 31 2014 Rp
Large Scale Integrated Development:		
Apartments	70,781,966,244	19,182,165,804
Asset Enhancements	4,339,239,387	7,902,398,506
Subtotal	<u>75,121,205,631</u>	<u>27,084,564,310</u>
Retail Malls:		
Asset Enhancements	138,001,708,869	151,884,010,118
Shopping Centers	20,366,242,689	21,207,942,024
Subtotal	<u>158,367,951,558</u>	<u>173,091,952,142</u>
Healthcare:		
Inpatient and Outpatient	<u>509,463,369,163</u>	<u>403,650,789,171</u>
Hospitality and Infrastructure:		
Town Management and Water Treatment	140,008,694,363	132,664,904,503
Hotels and Restaurants	13,812,721,387	13,801,721,957
Recreations and Sports	87,493,239	79,072,403
Others	6,691,561,000	8,478,048,262
Subtotal	<u>160,600,469,989</u>	<u>155,023,747,125</u>
Property and Portfolio Management:		
Management Fees	<u>85,147,767,856</u>	<u>98,875,298,186</u>
Total Trade Accounts Receivable from Third Parties	1,196,783,194,500	1,012,490,598,577
Less: Allowance for Impairment in Value	<u>(65,184,534,420)</u>	<u>(64,936,716,285)</u>
Trade Accounts Receivable from Third Parties - Net	<u>1,131,598,660,080</u>	<u>947,553,882,292</u>
Related Parties		
Healthcare:		
Inpatient and Outpatient	<u>8,348,153,055</u>	<u>3,549,747,604</u>
Total	<u>1,139,946,813,135</u>	<u>951,103,629,896</u>

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

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Beginning Balance	64,936,716,285	50,066,447,517
Addition	264,705,585	15,897,116,807
Reversal	<u>(16,887,450)</u>	<u>(1,026,848,039)</u>
Ending Balance	<u>65,184,534,420</u>	<u>64,936,716,285</u>

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).

Trade accounts receivable denominated in Rupiah currency and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 42 and 44.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

5. Other Current Financial Assets

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Available-for-Sale Financial Assets	6,741,870,041,814	5,502,958,263,108
Call Spread Option (See Note 40.d)	2,124,629,088,602	1,787,652,313,287
Other Accounts Receivable	871,265,414,247	675,624,583,321
Dividend Receivable	118,307,703,733	144,775,104,434
Promissory Note (2015: USD 781,600)	10,420,291,200	--
Total	9,866,492,539,596	8,111,010,264,150

Available-for-Sale Financial Assets

	June 30 2015 Rp	December 31 2014 Rp
At Cost		
Lippo Malls Indonesia Retail Trust (LMIR Trust) (2015: 807,570,416 units; 2014: 807,438,556 units)	3,365,825,960,675	3,272,180,664,720
First REIT (2015: 249,431,638 units; 2014: 246,633,504 units)	2,048,902,108,194	1,956,314,723,620
PT Kawasan Industri Jababeka Tbk (KIJA)	337,295,231,888	--
Foreign Exchange Translation	288,959,521,677	106,215,030,060
Non-Controlling Interest	41,026,533,675	--
Accumulated Unrealized Gain (Loss):		
Charged to Profit or Loss	(1,949,311,917)	(1,949,311,917)
Charged to Other Comprehensive Income	661,809,997,622	170,197,156,625
	659,860,685,705	168,247,844,708
Total	6,741,870,041,814	5,502,958,263,108

Available-for-Sale Financial Assets is an investment in REIT's units which are listed on the Singapore Stock Exchange and shares listed on the Indonesia Stock Exchange. The quoted market price of REIT units as of June 30, 2015 and December 31, 2014 are SGD 1.390 and SGD 1.260, respectively, for First REIT units, and SGD 0.365 and SGD 0.340, respectively, for LMIR Trust units. The quoted market price of KIJA shares as of June 30, 2015 is Rp262.

Other Accounts Receivable

	June 30 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	501,883,581,341	306,075,637,304
Subtotal	878,732,237,541	682,924,293,504
Less: Allowance for Impairment in value	(7,466,823,294)	(7,299,710,183)
Total - Net	871,265,414,247	675,624,583,321

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Receivable from PT Kemang Mall Terpadu, arisen from sale of Kemang Mall.

Receivables from PT Dasa Graha Jaya arisen from the sale of land and building of Siloam Hospitals Bali (see Note 40.b).

Receivables from PT Bayutama Sukses arisen from the sale of land and building of Siloam Hospitals Makassar (see Note 40.b).

Receivables from PT Palembangparagon Mall (PM) represents loan for capital expenditures before PM was divested.

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

	June 30 2015 Rp	December 31 2014 Rp
Urban Development:		
Land under Development	9,302,288,178,856	8,308,155,695,151
Residential Houses and Shophouses	2,079,734,751,350	2,177,171,906,931
Apartments	170,842,656,761	87,142,119,963
Others	9,806,385,860	8,976,074,946
Subtotal	<u>11,562,671,972,827</u>	<u>10,581,445,796,991</u>
Large Scale Integrated Development:		
Apartments	1,448,872,380,732	1,132,228,299,221
Land under Development	1,882,664,893,606	2,062,137,788,218
Shopping Centers	1,497,488,791,108	1,330,357,737,118
Subtotal	<u>4,829,026,065,446</u>	<u>4,524,723,824,557</u>
Retail Malls:		
Shopping Centers	1,195,358,447,499	1,151,698,829,656
Land under Development	219,831,741,103	183,041,252,330
Subtotal	<u>1,415,190,188,602</u>	<u>1,334,740,081,986</u>
Healthcare:		
Medical and Non Medical Supplies	<u>121,554,050,715</u>	<u>105,857,883,964</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	5,497,527,364	5,636,592,465
Recreation and Sports	769,837,528	582,131,842
Others	69,959,312	88,737,396
Less: Allowances Decline in Inventories Value	<u>(39,505,683)</u>	<u>(39,505,683)</u>
Subtotal	<u>6,297,818,521</u>	<u>6,267,956,020</u>
Total - Net	<u>17,934,740,096,111</u>	<u>16,553,035,543,518</u>

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 Gowa Makassar Tourism Development Tbk, subsidiary, an area of 180,634 sqm used as a collateral for a loan to PT Bank Mandiri (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 6 (six) months period ended June 30, 2015 and for the year ended December 31, 2014 amounting to Rp749,484,498,000 (include bond interest amounted to Rp332,800,024,870) and Rp897,098,924,229 (include bond interest amounted to Rp575,116,386,833), respectively (see Note 22).

As of June 30, 2015, land under development consisted of land covering a net area of approximately 31 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 62 hectares in Mampang Prapatan District, 20 hectares in Panunggangan Barat Village, 25 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 94 hectares in Margakaya Village, Telukjambe, Karawang, 170 hectares in Cibatu Village, 22 hectares in Serang Village, 25 hectares in Sukaresmi Village, 7 hectares in Cicau Village, 2 hectares in Kuta, Bali, 25 hectares in Jaya Mukti Village, 16 hectares in Tanjung Merdeka Village, 23 hectares in Macini Sombala Village, 13 hectares in Tamanyeleng Village, 32 hectares in Barombong Village and 14 hectares in Mariso District, 3 hectares in Panakukang Village, 1 hectare in Warung Buncit district, 4 hectares in Cempaka Putih District, 2 hectares in Wenang District, North Sulawesi, 3 hectares in Alak District, East Nusa Tenggara, 1 hectare in Medan Ringroad, 3 hectares in Komodo District, Nusa Tenggara Timur, 2 hectares in Rajabasa district, Lampung and 1 hectare in Serengan District, Surakarta.

Medical supplies and consumables of PT Golden First Atlanta, a subsidiary, are pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Note 21).

The amount of inventory charged to cost of sales amounted to Rp1,334,497,433,309 and Rp1,228,277,500,911, respectively, for the 6 (six) months period ended June 30, 2015 and 2014.

Management believes there is no indication of change in circumstances that causes a decrease in the value of inventories at June 30, 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 June 30, 2015 and December 31, 2014, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.

7. Prepaid Expenses

	June 30 2015	December 31 2014
	Rp	Rp
Rental	146,557,813,403	138,391,344,438
Others	135,359,704,385	58,512,020,249
Total	281,917,517,788	196,903,364,687

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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

8. Other Non-Current Financial Assets

	June 30 2015 Rp	December 31 2014 Rp
Restricted Funds	576,503,227,386	561,596,218,297
Other Investments	58,329,023,011	58,329,023,011
Total	634,832,250,397	619,925,241,308

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	June 30 2015 Rp	December 31 2014 Rp
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitradaya	Jakarta	160,000,000	160,000,000
Others	--	29,384,011	29,384,011
Total		58,329,023,011	58,329,023,011

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

9. Transactions and Balances with Related Parties

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

	June 30 2015 Rp	December 31 2014 Rp	Percentage to Total Assets/ Liabilities	
			June 30 2015 %	December 31 2014 %
Cash and Cash Equivalents				
PT Bank Nationalnobu				
Bank	358,640,765,119	347,242,393,752	0.88	0.92
Total Cash and Cash Equivalents	358,640,765,119	347,242,393,752	0.88	0.92
Trade Accounts Receivable				
Other (below Rp1 billion each)	8,348,153,055	3,549,747,604	0.02	0.01

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	June 30 2015 Rp	December 31 2014 Rp	Percentage to Total Assets/ Liabilities	
			June 30 2015 %	December 31 2014 %
Investments in Associates				
PT Surya Citra Investama	69,504,608,821	69,504,608,821	0.17	0.18
PT TTL Residences	66,620,250,000	28,031,250,000	0.16	0.07
PT Hyundai Inti Development	10,467,425,559	12,229,173,806	0.03	0.03
PT Anho Biogenesis Prima Indah	4,250,000,000	4,250,000,000	0.01	0.01
Pun Hlaing International Hospital Limited	135,814,217,223	--	0.33	--
Other (below Rp1 billion each)	9,268,730,735	9,268,729,654	0.02	0.02
Total Investments in Associates	295,925,232,338	123,283,762,281	0.73	0.33
Due from Related Parties Non-Trade				
PT Bumi Lemahabang Permai	32,285,545,904	9,910,889,654	0.08	0.03
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.01	0.01
Directors, Commissioners and Key Management	5,772,531,347	7,805,374,362	0.01	0.02
Other (below Rp1 billion each)	4,753,601,521	4,753,601,521	0.01	0.01
Total	47,703,614,223	27,361,800,988	0.12	0.07
Less: Allowance for Impairment in Value	(12,573,437,421)	(12,573,437,421)	(0.03)	(0.03)
Total Due from Related Parties Non-Trade - Net	35,130,176,802	14,788,363,567	0.09	0.04
Due to Related Parties Non-Trade				
PT Tirta Graha Sentana	1,980,225,690	2,215,692,479	0.01	0.01
Other (below Rp1 billion each)	1,164,065,640	1,163,585,640	0.01	0.01
Total Due to Related Parties Non-Trade	3,144,291,330	3,379,278,119	0.02	0.02
Deferred Income				
PT Mulia Persada Pertiwi	307,371,079,163	315,477,569,167	1.48	1.57
PT Matahari Putra Prima Tbk	149,278,777,351	134,362,277,359	0.72	0.67
Total Deferred Income	456,649,856,514	449,839,846,526	2.20	2.24
Long-Term Post-Employment Benefits Liability				
Directors, Commissioners and Key Management	8,776,903,677	12,220,099,936	0.04	0.06
			Persentase Terhadap Jumlah Pendapatan/ Beban Usaha	
	2015 (6 Months) Rp	2014 (6 Months) Rp	2015 (6 Months) %	2014 (6 Months) %
Revenues				
PT Matahari Putra Prima Tbk	9,732,474,826	7,808,723,916	0.21	0.19
PT Mulia Persada Pertiwi	8,106,490,004	--	0.17	--
Total Revenues	17,838,964,830	7,808,723,916	0.38	0.19
Short-Term Post-Employment Benefits Expenses				
Directors, Commissioners and Key Management	19,676,043,804	11,461,542,296	0.41	0.28

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 Mulia Persada Pertiwi	Under Common Control	Deferred income and net sales

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Related Parties	Relationship with the Company	Transactions
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 Anho Biogenesis Prima Indah	Associate	Investment in shares of stock
Pun Hlaing International Hospital Limited	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

June 30, 2015							
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Addition (Disposal) of Investment	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	36,539,625,325	--	--	69,504,608,821
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	97,596,876,051	(93,284,873,862)	--	10,467,425,559
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
Pun Hlaing International Hospital Limited	Myanmar	40.00	135,814,217,223	--	--	--	135,814,217,223
Others (below Rp5 billion each)			25,143,494,000	(15,874,763,265)	--	--	9,268,730,735
Total			232,359,368,089	118,261,738,111	(93,284,873,862)	38,589,000,000	295,925,232,338
December 31, 2014							
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Addition (Disposal) of Investment	Carrying Value
		%	Rp	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	36,539,625,325	--	--	69,504,608,821
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	99,200,501,635	(93,126,751,199)	--	12,229,173,806
PT TTL Residences	Bekasi	25.00	28,031,250,000	--	--	--	28,031,250,000
PT Graha Teknologi Nusantara	Jakarta	20.00	15,295,000,000	--	--	(15,295,000,000)	--
PT Anho Biogenesis Prima Indonesia	Jakarta	42.50	4,250,000,000	--	--	--	4,250,000,000
Others (below Rp5 billion each)			25,143,494,000	(15,874,764,346)	--	--	9,268,729,654
Total			111,840,150,866	119,865,362,614	(93,126,751,199)	(15,295,000,000)	123,283,762,281

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 and recorded as other income.

11. Investment Property

	2015 (6 Months)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Land	56,201,024,208	26,025,568,923	--	--	82,226,593,131
Building	343,752,721,523	94,255,580,079	--	--	438,008,301,602
Total Acquisition Cost	399,953,745,731	120,281,149,002	--	--	520,234,894,733
Accumulated Depreciation					
Building	89,648,991,228	11,965,913,532	--	--	101,614,904,760
Total Accumulated Depreciation	89,648,991,228	11,965,913,532	--	--	101,614,904,760
Carrying Value	310,304,754,503				418,619,989,973
	2014 (One Year)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Land	56,201,024,208	--	--	--	56,201,024,208
Building	322,292,252,875	21,460,468,648	--	--	343,752,721,523
Total Acquisition Cost	378,493,277,083	21,460,468,648	--	--	399,953,745,731
Accumulated Depreciation					
Building	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Total Accumulated Depreciation	72,132,171,875	17,516,819,353	--	--	89,648,991,228
Carrying Value	306,361,105,208				310,304,754,503

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

	2015 (6 Months) Rp	2014 (6 Months) Rp
Rental Income	26,113,051,896	30,703,609,144
Direct Operating Cost Arises from the Rental Generated from Investment Properties	12,405,041,127	8,794,151,531

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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

	2015 (6 Months) Rp	2014 (6 Months) Rp
Cost of Sales and Services	1,972,330,556	1,637,514,754
Selling Expense	9,993,582,976	6,912,770,306
Total	11,965,913,532	8,550,285,060

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 Rp565,000,000,000 and USD 1,000,000 as of June 30, 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 (Note 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 appraisers are:

1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of June 30, 2015 was not impaired as compared to 2014.

Based on the evaluation of the value of investment properties as of June 30, 2015, management believes that there are no changes in circumstances indicate an impairment of investment properties.

12. Property and Equipment

	2015 (6 Months)				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Direct Ownership					
Land	477,801,430,283	--	--	--	477,801,430,283
Building, Infrastructure and Renovations	1,029,929,192,682	55,867,057,475	--	--	1,085,796,250,157
Parks and Interiors	24,576,600,379	2,820,553,503	--	--	27,397,153,882
Golf Course and Club House	175,604,708,730	333,109,000	--	--	175,937,817,730
Transportation Equipment and Vehicles	46,397,613,598	1,231,928,000	--	--	47,629,541,598
Furniture, Fixtures and Office Equipment	670,698,064,934	109,188,032,788	--	--	779,886,097,722
Tools and Medical Equipment	1,522,526,112,101	165,993,473,120	--	--	1,688,519,585,221
Machinery and Project Equipment	258,068,250,234	29,011,516,966	--	--	287,079,767,200
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	4,223,135,710,894	364,445,670,852	--	--	4,587,581,381,746
Construction in Progress	837,191,957,954	28,461,919,300	--	--	865,653,877,254
Total Acquisition Cost	5,060,327,668,848	392,907,590,152	--	--	5,453,235,259,000

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (6 Months)				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	288,256,604,730	30,355,091,815	--	--	318,611,696,545
Parks and Interiors	21,520,178,822	410,913,766	--	--	21,931,092,588
Golf Course and Club House	153,419,085,781	4,861,057,660	--	--	158,280,143,441
Transportation Equipment and Vehicles	33,194,006,193	1,812,084,581	--	--	35,006,090,774
Furniture, Fixtures and Office Equipment	477,658,933,083	43,439,628,518	--	--	521,098,561,601
Tools and Medical Equipment	682,582,474,116	113,472,811,461	--	--	796,055,285,577
Machinery and Project Equipment	177,425,660,754	14,490,672,996	--	--	191,916,333,750
Bowling Machinery	14,372,469,025	7,563,114	--	--	14,380,032,139
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,851,565,158,596	208,849,823,911	--	--	2,060,414,982,507
Carrying Value	3,208,762,510,252				3,392,820,276,493

	2014 (One Year)				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
Acquisition Cost					
Direct Ownership					
Land	353,113,027,388	71,372,749,704	--	53,315,653,191	477,801,430,283
Building, Infrastructure and Renovations	843,617,829,618	84,494,475,753	--	101,816,887,311	1,029,929,192,682
Parks and Interiors	36,886,191,401	990,838,387	--	(13,300,429,409)	24,576,600,379
Golf Course and Club House	172,759,176,590	2,845,532,140	--	--	175,604,708,730
Transportation Equipment and Vehicles	44,293,024,041	1,840,303,183	158,063,626	422,350,000	46,397,613,598
Furniture, Fixtures and Office Equipment	581,125,590,144	81,945,957,174	989,017,775	8,615,535,391	670,698,064,934
Tools and Medical Equipment	1,330,651,853,267	166,404,346,766	1,072,435,349	26,542,347,417	1,522,526,112,101
Machinery and Project Equipment	230,860,561,610	27,207,688,624	--	--	258,068,250,234
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	3,610,840,992,012	437,101,891,731	2,219,516,750	177,412,343,901	4,223,135,710,894
Construction in Progress	662,875,360,688	311,713,717,385	--	(137,397,120,119)	837,191,957,954
Total Acquisition Cost	4,273,716,352,700	748,815,609,116	2,219,516,750	40,015,223,782	5,060,327,668,848

Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	233,663,427,726	54,593,177,004	--	--	288,256,604,730
Parks and Interiors	21,206,805,947	692,677,059	--	(379,304,184)	21,520,178,822
Golf Course and Club House	143,648,629,426	9,770,456,355	--	--	153,419,085,781
Transportation Equipment and Vehicles	29,074,260,283	4,277,809,536	158,063,626	--	33,194,006,193
Furniture, Fixtures and Office Equipment	365,391,970,828	113,234,343,650	967,381,395	--	477,658,933,083
Tools and Medical Equipment	499,005,568,015	184,484,341,446	907,435,345	--	682,582,474,116
Machinery and Project Equipment	153,341,047,381	24,084,613,373	--	--	177,425,660,754
Bowling Machinery	14,356,614,675	15,854,350	--	--	14,372,469,025
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	1,462,824,070,373	391,153,272,773	2,032,880,366	(379,304,184)	1,851,565,158,596
Carrying Value	2,810,892,282,327				3,208,762,510,252

In 2015, the addition of the Group's property and equipment to inventory, including non-cash transactions from accrued expenses amounted to Rp21,528,637,910.

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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 June 30, 2015, Construction in progress has reached 7% - 95% and estimated the completion within July 2015 until December 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 (6 Months) Rp	2014 (6 Months) Rp
General and Administrative Expenses	92,374,735,015	67,957,320,708
Cost of Sales and Services	114,947,618,294	90,481,826,846
Selling Expenses	1,527,470,602	2,428,195,299
Total	208,849,823,911	160,867,342,853

Acquisition cost of property and equipment that have been fully depreciated and still in use as of June 30, 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.

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 June 30, 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 June 30, 2015.

13. Intangible Assets

	2015 (6 Months)			
	Beginning Balance Rp	Addition Rp	Deduction Rp	Ending Balance Rp
Acquisition Cost				
Goodwill	507,015,048,592	2,673,312,720	--	509,688,361,312
Software	42,594,192,168	6,120,380,616	--	48,714,572,784
Total Acquisition Cost	549,609,240,760	8,793,693,336	--	558,402,934,096
Accumulated Impairment and Amortization				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	8,370,897,937	975,921,251	--	9,346,819,188
Total Accumulated Impairment and Amortization	27,031,502,255	975,921,251	--	28,007,423,506
Carrying Value	522,577,738,505			530,395,510,590

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	2014 (One Year)			
	Beginning Balance	Addition	Deduction	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Goodwill	334,652,210,431	172,362,838,161	--	507,015,048,592
Software	21,035,850,783	21,558,341,385	--	42,594,192,168
Total Acquisition Cost	355,688,061,214	193,921,179,546	--	549,609,240,760
Accumulated Impairment and Amortization				
Impairment of Goodwill	18,660,604,318	--	--	18,660,604,318
Amortization of Software	5,186,483,485	3,184,414,452	--	8,370,897,937
Total Accumulated Impairment and Amortization	23,847,087,803	3,184,414,452	--	27,031,502,255
Carrying Value	331,840,973,411			522,577,738,505

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			June 30 2015	December 31 2014
			Rp	Rp
PT Swadaya Tehnopolis	Premium Venture International Ltd	2015	2,673,312,720	--
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
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	9,251,046,030
PT Primakreasi Propertindo	PT Surya Megah Lestari	2012	5,680,000,000	5,680,000,000
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	14,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	3,540,326,235
PT Medika Sarana Traliansia	PT Trisaka Raksa Waluya	2011	75,119,377	75,119,377
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
Jumlah - Neto			491,027,756,994	488,354,444,274

The management believes that the indentified impairment that occurred for the 6 (six) months period ended June 30, 2015 and for the year ended December 31, 2014 have been assessed adequately.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

14. Advances

	June 30 2015	31 Desember 2014
	Rp	Rp
Advances for Land Acquisition	1,427,992,930,375	964,586,377,005
Advances for Construction	505,733,754,002	548,203,926,343
Advances for Acquisition of Property and Equipment	88,414,993,183	89,474,806,976
Others	168,831,329,363	109,176,570,364
Total	2,202,149,006,923	1,711,441,680,688

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 February 19, 2014, PT Gunung Halimun Elok (GHE), a subsidiary, entered into sales and purchase agreement on land located in Bintaro. As of December 31, 2014, GHE has made total payment of Rp81,392,750,000.

On April 28, 2014 and October 1, 2014, PT Satriamandiri Idola Utama (SIU), a subsidiary, entered into sales and purchase agreement for land located at Kemang sub-district. As of December 31, 2014, SIU has made total payment of Rp54,716,262,500.

On May 28, 2014, PT Bahtera Perkasa Makmur (BPM), a subsidiary, entered into sales and purchase agreement for land located in Manado, North Sulawesi. As of December 31, 2014, total payment made by BPM amounted to Rp34,597,000,000.

On July 22, 2014, PT Great Jakarta Inti Development, a subsidiary, entered into an agreement of transferring commercial rights of land located in Cibatu, Lippo Cikarang with PT Profita Sukses Abadi. Total value of the agreement is Rp 290,000,000,000 and has paid Rp 29,000,000,000 as advance payment.

On December 2, 2010, based on shares sale and purchase agreements, SIU, a subsidiary, will purchase shares ownership of PT Anugerah Bahagia Abadi (ABA) amounted to Rp549,686,500,000. On May 12, 2014, ABA was acquired by PT Wiswa Jatim Propertindo (see Notes 1.c and 45).

15. Land for Development

	June 30 2015		December 31 2014	
	Area	Value	Area	Value
	sqm	Rp	sqm	Rp
The Company	1,001,010	205,141,950,108	1,001,010	204,957,334,722
Subsidiaries:				
PT Gowa Makassar Tourism Development Tbk	2,046,873	342,500,793,525	2,046,873	317,160,283,219
PT Lippo Cikarang Tbk	1,175,619	427,678,601,028	1,383,883	396,834,940,859
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Erabaru Realindo	702,371	22,845,087,500	702,371	22,845,087,500
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Sejatijaya Selaras	84,162	12,856,345,276	84,162	12,856,345,276

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	June 30 2015		December 31 2014	
	Area	Value	Area	Value
	sqm	Rp	sqm	Rp
PT Bahtera Pratama Wirasakti	82,440	15,520,541,679	83,405	15,520,541,679
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
Total	6,206,950	1,192,596,282,397	6,416,179	1,136,227,496,536

In 2014, land for development amounting to Rp441,635,251,200 was reclassified to inventory (see Note 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

	June 30 2015	December 31 2014
	Rp	Rp
Estimated Cost for Construction	691,332,930,115	726,197,777,129
Interest	102,246,826,828	95,652,427,787
Endowment Care Fund	63,512,738,664	59,696,987,047
Hedging Premium of Call Spread Option	23,544,169,740	22,083,103,440
Contract Service	23,765,308,823	21,642,499,126
Cost of Goods Sold	17,370,543,598	19,079,289,656
Transfer of Ownership Tax	15,218,437,089	16,986,811,984
Professional Fees	48,469,945,031	1,624,616,670
Others	156,816,440,563	162,466,039,961
Total	1,142,277,340,450	1,125,429,552,800

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

17. Taxation

a. Income Tax Expense

	2015 (6 Months)	2014 (6 Months)
	Rp	Rp
Current	(230,693,462,319)	(171,380,401,023)
Deferred	(7,134,196,031)	1,534,144,824
Total Tax Expense	(237,827,658,350)	(169,846,256,199)

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 (6 Months) Rp	2014 (6 Months) Rp
Income before Income Tax Expense as Presented in Consolidated Statements of Comprehensive Income	1,173,110,114,689	950,664,982,606
<i>Deduct:</i>		
Income of Subsidiaries	870,366,698,184	1,513,716,231,017
The Company's Commercial Gain (Loss) - Net	302,743,416,505	(563,051,248,411)
Temporary Differences		
Depreciation of Direct Ownership of Property and Equipment	(2,951,015,780)	(2,951,015,780)
Deferred Gain on Sale and Leaseback Transactions	(3,651,723,372)	(3,651,723,372)
Subtotal	(6,602,739,152)	(6,602,739,152)
Permanent Differences		
Donation and Representation	139,523,793	181,600,111
Interest Income	(18,825,830,963)	(4,660,193,040)
Income Subjected to Final Tax	(70,956,794,159)	(32,886,891,013)
Subtotal	(89,643,101,329)	(37,365,483,942)
Estimated Tax Gain (Loss)	206,497,576,024	(607,019,471,505)

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

	2015 (6 Months) Rp	2014 (6 Months) Rp
The Company		
Estimated Tax Gain (Loss)	206,497,576,024	(607,019,471,505)
Subsidiaries		
Estimated Taxable Income	214,736,197,557	54,004,957,162
Current Tax	108,504,427,820	53,992,311,557
Tax Credit	(55,920,005,683)	--
Estimated Income Tax of Subsidiaries Article 29	52,584,422,137	53,992,311,557
Final Tax Expense		
The Company	6,882,500,375	2,890,316,388
Subsidiaries	115,306,534,125	114,497,773,078
Consolidated Final Tax Expense	122,189,034,500	117,388,089,466
Consolidated Income Tax Expense	230,693,462,320	171,380,401,023
Consolidated Income Tax Payable Article 29		
Estimated Consolidated Income Tax Article 29	52,584,422,137	53,992,311,557
Prior Year Income Tax Article 29	23,875,564,411	(9,011,299,547)
Total Consolidated Income Tax Payable Article 29	76,459,986,548	44,981,012,010

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 (6 Months) Rp	2014 (6 Months) Rp
Income before Income Tax Expense According to the Consolidated Statements of Income	1,173,110,114,689	950,664,982,606
<i>Deduct:</i>		
Income of Subsidiaries	870,366,698,184	1,513,716,231,017
The Company's Commercial Income (Loss)	302,743,416,505	(563,051,248,411)
Income Tax Expense at Effective Tax Rate 25%	(75,685,854,128)	111,415,789,735
Income Subject to Final Tax - Net	17,739,198,540	8,221,722,753
Interest Income	4,706,457,741	1,165,048,260
Donation and Representation	(34,880,948)	(45,400,028)
Tax Gain (Loss)	51,624,394,006	(122,407,845,510)
Income Tax Expense of the Company	(1,650,684,789)	(1,650,684,790)
Final Tax Expense of the Company	(6,882,500,375)	(2,890,316,388)
Total Income Tax Expense of the Company	(8,533,185,164)	(4,541,001,178)
Income Tax Expense of the Subsidiaries		
Deferred Tax of the Subsidiaries	(5,483,511,241)	3,184,829,614
Current Tax of the Subsidiaries	(108,504,427,820)	(53,992,311,557)
Final Tax Expense of the Subsidiaries	(115,306,534,125)	(114,497,773,078)
Total Income Tax Expense of the Subsidiaries	(229,294,473,186)	(165,305,255,021)
Total Income Tax Expense	(237,827,658,350)	(169,846,256,199)

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 Profit or Loss and Other Comprehensive Income Rp	Additions from Business Combination Rp	June 30 2015 Rp
The Company				
Amortization of Deferred Income from Sale and Leaseback Transaction	12,675,616,315	(912,930,843)	--	11,762,685,472
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)	(737,753,947)	--	(12,404,570,598)
	13,340,190,881	(1,650,684,790)	--	11,689,506,091
Subsidiaries	38,915,497,351	(5,483,511,241)	--	33,431,986,110
Deferred Tax Assets	52,255,688,231	(7,134,196,031)	--	45,121,492,201
Deferred Tax Liabilities	28,147,868,966	1,419,903,772	--	29,567,772,738

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	January 1 2014	Credited (Charged) to Consolidated Statements of Profit or Loss and Other Comprehensive Income	Additions from Business Combination	December 31 2014
	Rp	Rp	Rp	Rp
The Company				
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
Subsidiaries	34,194,193,287	4,645,279,868	76,024,196	38,915,497,351
Deferred Tax Assets	50,363,528,323	1,816,135,713	76,024,196	52,255,688,231
Deferred Tax Liabilities	11,983,104,371	1,530,675,893	14,634,088,702	28,147,868,966

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

c. Prepaid Taxes

	June 30 2015	December 31 2014
	Rp	Rp
Income Tax		
Article 21	--	2,344,514
Article 4 (2)	396,338,094,889	404,201,707,819
Article 22	714,068,510	296,725,405
Article 25/29	9,852,915,938	--
Article 28.a	19,170,437,869	6,991,456,142
Value Added Tax	260,794,935,347	209,977,210,971
Total Prepaid Taxes	686,870,452,553	621,469,444,851

d. Taxes Payable

	June 30 2015	December 31 2014
	Rp	Rp
Income Tax		
Final	86,106,859,100	184,916,278,400
Article 23	8,350,191,461	--
Article 25/29	76,459,986,548	125,377,715,893
Article 21	34,251,720,444	24,287,992,522
Article 26	2,468,859,732	15,989,757
Value Added Tax	16,214,202,686	309,217,624,885
Hotel and Restaurant Tax	2,826,793,023	2,832,043,246
Entertainment Tax	581,824,479	581,824,479
Total Taxes Payable	227,260,437,473	647,229,469,182

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

In 2014, Company received Underpayment of Tax Assessment Letters (SKPKB) and Tax Invoices (STP) for Income Tax Article 29, Article 4 (2) and value added tax amounting to Rp247,492,702, Rp3,725,674,898 and Rp2,127,750,033, respectively, for fiscal year 2009. The Company also received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 (2), value added tax and value added tax for luxury goods amounting to Rp197,897,049, Rp500,000, Rp12,389,154,408, Rp288,519,029, Rp606,631,800 and Rp2,831,617,071, respectively, for fiscal year 2010.

In 2014, PT Surya Mitra Jaya (SMJ), a subsidiary, received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 paragraph 2 and value added tax amounting to Rp2,499,455, Rp17,852,948, Rp705,899,115, Rp6,797,492,075 and Rp15,813,436,974, respectively, for fiscal year 2011. SMJ also received SKPKB and STP for Income Tax Article 21, Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp5,998,021, Rp14,679,962, Rp495,377,120, Rp1,798,033,100 and Rp4,409,530,584, respectively, for fiscal year 2012.

In 2014, PT Jagat Pertala Nusantara (JPN), a subsidiary, received SKPKB and STP for Income Tax Article 29 and Article 4 (2) amounting to Rp468,307,150 and Rp2,499,646,000, respectively, for fiscal year 2011. JPN also received SKPKB and STP for Income Tax Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp514,353, Rp1,257,331,142, Rp3,769,356 and Rp6,799,295, respectively, for fiscal year 2012.

In 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, received SKPKB for Income Tax Article 23, Article 29 and Article 4 (2) amounting to Rp50,129,679, Rp156,628,030 and Rp790,815,540, respectively, for fiscal year 2010. LC also received SKPKB for Income Tax Article 23, Article 29, Article 4 (2) and value added tax amounting to Rp3,785,657, Rp 935,630,248, Rp33,454,941 and Rp1,648,496,820, respectively, for fiscal year 2011. LC also received SKPKB for Income Tax Article 15, Article 23 and Article 4 (2) amounting to Rp1,406,160, Rp 59,389,247, Rp455,720,584 and Rp2,389,523,590, respectively, for fiscal year 2012.

18. Trade Accounts Payable – Third Parties

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Supplier	313,466,142,640	232,404,843,283
Contractor	115,717,042,234	85,793,000,925
Doctor Fees	75,985,452,864	74,649,048,117
Others	6,138,050,689	2,287,063,138
Total	511,306,688,427	395,133,955,463

19. Short-Term Bank Loans

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
PT Bank Negara Indonesia (Persero) Tbk	150,000,000,000	170,000,000,000
PT Bank ICBC	70,000,000,000	--
PT Bank Mandiri (Persero) Tbk	50,000,000,000	--
PT Bank Central Asia Tbk	2,957,384,393	3,540,195,011
Total	272,957,384,393	173,540,195,011

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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 June 30, 2015 and December 31, 2014, outstanding balance for this facility amounted to Rp150,000,000,000 and Rp170,000,000,000, respectively.

Based on Credit Agreement No. 34 dated October 30, 2006 which was made in the presence of H. Zamri, S.H., a notary in Jakarta and last amended in Approval of Changes in Credit Agreement No (9) 34 dated June, 30 2014, the Company received the Working Capital Facility (KMK) with maximum loan amounted Rp20,000,000,000. This facility bears an interest of 11,5% per annum and has maturity date on June 12, 2015. As of December 31, 2014, outstanding balance for this facility amounted nil.

Both facilities are secured by 21,940 sqm of land in Lippo Village Residences, Jl. Boulevard Jend, Sudirman, Kelapa Dua Village, Curug District, Tangerang, Banten, with details as follows:

1. One (1) parcel of land with an area of 340 sqm with SHGB No. 3695 dated January 9, 1998 (Certificate due date January 9, 2028) which is registered under the name of Company (see Note 6).
2. One (1) parcel of land with an area of 15,235 sqm with SHGB No. 2866 dated April 4, 1997 (Certificate due date September 24, 2022) which is registered under the name of Company (see Note 6).
3. One (1) parcel of land with an area of 6,365 sqm with SHGB No. 4028 dated August 6, 1998 (Certificate due date August 6, 2028) which is registered under the name of Company (see Note 6).

PT Bank 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 amended in Amendment 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.

PT Bank Mandiri (Persero) Tbk

- Based on Credit Agreement No. 05 dated April 23, 2015 which was made in the presence of Andi Fitriani, S.H., a notary in Makassar, PT Gowa Makassar Tourism Development Tbk, a subsidiary, received the Working Capital Facility(KMK) from PT Bank Mandiri (Persero) Tbk which amount not exceeding the credit limit amounted Rp50,000,000,000. This facility will be ended on April 23, 2016. On June 30, 2015, the loan amounted Rp50,000,000,000 and bears an interest of 12% per annum.
- The above loan agreements require the Company to meet certain requirements which all requirements have been met as of the date of this report. This Credit Facility is secured by 180,634 sqm of land located at Jalan Metro Tanjung Bunga, Desa Barombong, Kecamatan Tamalate, Kota Makassar, with details as follows:
 1. Eleven (11) parcel of land with an area of 97,814 sqm with SHGB No. 20001 until 20011
 2. Three (3) parcel of land with an area of 13,418 sqm with SHGB No. 20018, 20020, 20022
 3. One (1) parcel of land with an area of 57,640 sqm with SHGB No. 20019
 4. One (1) parcel of land with an area of 11,762 sqm with SHGB No. 20024

PT Bank Central Asia Tbk

Based on Credit Agreement No. 1 dated April 1, 2003 which was made in the presence of Yandes Effriady, S.H., a notary in Jambi and Letter of Lending No. 0242/JAM/2010 dated February 3, 2010, amendment 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 Local Credit Facility (Overdraft) with maximum loan amounted Rp5,000,000,000. This facility bears an interest of 12.5% per annum. The Collateral for this facility is as same as for long-term loan (see Note 21).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

20. Other Current Financial Liabilities

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Dividend Payable (See Note 31)	380,000,000,000	--
Unidentified Payments	206,515,273,305	205,960,812,485
Other Payable	197,816,086,543	201,125,936,118
Total	784,331,359,848	407,086,748,603

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

21. Long-Term Bank Loans

	June 30 2015 Rp	December 31 2014 Rp
Third Parties		
Bank Pembangunan Daerah Kalimantan Timur	27,102,346,799	29,993,214,251
PT Bank Central Asia Tbk	9,725,794,483	12,967,725,976
	36,828,141,282	42,960,940,227
Current Portion	12,786,401,134	12,435,856,488
Non-Current Portion	24,041,740,148	30,525,083,739

Bank Pembangunan Daerah Kalimantan Timur

Based on Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) with a maximum amount of Rp50,000,000,000 bear of interest rate of 11.5% per annum. This loan was used to funding development of hospitals and paying its loan obtained from PT Bank Mandiri (Persero) Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Gang Bahagia, Balikpapan which is registered under the name of BDH (see Note 12).
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp8,665,020,000 (see Note 12).

There is no restrictive financial ratio which should be maintained by BDH.

Loan payments for the current period amounted to Rp2,890,867,448.

PT Bank Central Asia Tbk

Based on 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/13 dated April 30, 2013, 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Both facilities bear an annual interest rate of 11% and will mature on February 5, 2014 and December 20, 2016, respectively. On February 4, based on the Letter No. 0258/JAM/2014, this Local Credit Facility has been extended and will mature on May 5, 2014.

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 June 30, 2015 and December 31, 2014, GFA has complied with the required debt ratio.

Loan payments for the current period amounted to Rp3,824,742,112.

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 on December 2025.

As of December 18, 2014, these loan have been fully paid amounted to Rp68,202,736,290.

22. Bonds Payable

	June 30 2015 Rp	December 31 2014 Rp
Nominal (2015: USD803,306,000; 2014: USD803,306,000)	10,709,675,592,000	9,993,126,640,000
Premium - Net	86,415,517,583	99,639,856,615
Bond Issuance Cost - Net	(300,619,414,994)	(312,155,200,064)
Total	10,495,471,694,589	9,780,611,296,551
Premium (net of discount)	132,220,109,999	123,373,700,000
Less: Accumulated Amortization	(45,804,592,416)	(23,733,843,385)
Unamortized Premium	86,415,517,583	99,639,856,615
Bond Issuance Costs	432,258,756,952	494,815,141,452
Less: Accumulated Amortization	(131,639,341,958)	(182,659,941,388)
Unamortized Bond Issuance Cost	300,619,414,994	312,155,200,064

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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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 June 30, 2015 and December 31, 2014, accrued interest expense amounted to USD 2,138,889 and USD 2,138,889 (equivalent to Rp28,515,668,148 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 June 30, 2015 and December 31, 2014, accrued interest expense amounted to USD 2,185,499 and USD 2,185,499 (equivalent to Rp29,137,072,668 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 6 months. As of June 30, 2015 and December 31, 2014 accrued interest expenses amounted to USD 1,039,549 and USD 1,039,549 (equivalent Rp13,859,267,268 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 June 30, 2015 and December 31, 2014 accrued interest expenses amounted to USD 1,429,167 and USD 1,429,167 (equivalent Rp19,053,654,444 and Rp17,778,837,480).

Interest and borrowing costs capitalized into inventories amounting to Rp332,800,024,870 and Rp575,116,386,833, respectively, for the 6 (six) months period ended June 30, 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).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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:

	2014
	Rp
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)
Total	218,394,264,254

Post-employment benefits expense is recorded as part of the cost of salaries and employee benefits (see Notes 35 and 36).

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

	2014
	Rp
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
Balance on December 31,	218,394,264,254

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

	2014
	Rp
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
Present Value of Defined Benefits Obligation as of December 31,	257,671,574,762

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Total present value of employee benefits liabilities for the current year and four years period earlier, fair value of asset and deficit of the program are as follows:

	2014 Rp	2013 Rp	2012 Rp	2011 Rp	2010 Rp
Present Value of Defined Benefit Liabilities	257,671,574,762	181,367,280,459	201,016,264,584	148,435,574,952	119,920,794,970
Asset Program	--	--	--	--	--
Deficit of the Program	257,671,574,762	181,367,280,459	201,016,264,584	148,435,574,952	119,920,794,970

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

	2014
Interest Rates	8%
Salary Increase Projection Rates	8%
Mortality Rates	Indonesia – II
Permanent Disability Rates	10% x TMI – II
Resignation Rates	1% for ages 18 – 44, 0% for ages 45 – 54

24. Advances from Customers

	June 30 2015 Rp	December 31 2014 Rp
Third Party		
Apartment	1,912,035,832,270	2,260,978,431,559
Residential Houses and Shophouses	2,555,910,329,675	2,297,609,438,130
Land Lots	205,241,379,049	398,062,629,200
Shopping Centers	195,753,090,731	195,711,717,834
	4,868,940,631,725	5,152,362,216,723
Current Portion	2,459,812,659,036	2,456,690,149,393
Non-Current Portion	2,409,127,972,689	2,695,672,067,330

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

	June 30 2015 Rp	December 31 2014 Rp
100%	3,271,491,092,749	3,461,924,959,363
50% - 99%	323,975,249,862	342,833,885,807
20% - 49%	296,642,696,951	365,433,924,067
Below 20%	976,831,592,164	982,169,447,486
Total	4,868,940,631,725	5,152,362,216,723

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

25. Deferred Income

	June 30 2015 Rp	December 31 2014 Rp
Related Party		
Rent (see Notes 9 and 40.b)	456,649,856,514	449,839,846,526
Third Parties		
Rent	321,270,625,559	288,452,303,263
Others	54,001,274,605	41,892,708,709
Subtotal	375,271,900,164	330,345,011,972
Total Deferred Income	831,921,756,678	780,184,858,498
Current Portion	411,677,523,936	362,175,439,809
Non-Current Portion	420,244,232,742	418,009,418,689

26. Deferred Gain on Sale and Leaseback Transaction

	June 30 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 Statements of Comprehensive Income	70,196,779,840	70,196,779,840
Deferred Gain on Sale and Leaseback Transaction	1,711,509,106,322	1,711,509,106,322
Foreign Exchange Translation	219,111,579,229	106,411,728,221
Accumulated Amortization	(696,415,468,923)	(543,380,832,978)
Deferred Gain on Sale and Leaseback - Net	1,234,205,216,628	1,274,540,001,565
Current Portion	129,749,290,844	127,287,435,838
Non-Current Portion	1,104,455,925,784	1,147,252,565,727

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 40.b).

27. Capital Stock

The Company stockholders' composition as of June 30, 2015 and December 31, 2014 is as follows:

Shareholders	June 30, 2015			December 31, 2014		
	Total Shares	Percentage Ownership	Issue and Fully Paid Rp	Total Shares	Percentage Ownership	Issue 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	8,700	--	870,000	150,000	--	15,000,000
Public (each below 5%)	17,432,676,511	76.56	1,743,267,651,100	17,432,535,211	76.56	1,743,253,521,100
Subtotal	22,771,585,119	100.00	2,277,158,511,900	22,771,585,119	100.00	2,277,158,511,900
Treasury Stock	306,104,500		30,610,450,000	306,104,500		30,610,450,000
Total	23,077,689,619		2,307,768,961,900	23,077,689,619		2,307,768,961,900

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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
Total		306,104,500	216,524,113,794

28. Additional Paid in Capital - Net

	Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
Total	4,063,148,621,880

Paid in Capital Excess of Par - Net

	Rp
Rights Issue I	
Paid in Capital Excess of Par - Net on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Subtotal	75,439,569,336
Rights Issue II	
Paid in Capital Excess of Par - Net on Stock on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	477,605,385,137
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	1,927,996,868,067
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	811,394,200,000
Total Paid in Capital Excess of Par - Net	4,043,613,274,615

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the business combination exercised under purchase method represents the difference between the highest share price reached during the 90 days period prior to the announcement of the business combination and par value of the Company's issued shares.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

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

	Rp
Transaction Before Business Combination	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	<u>(5,000,000,000)</u>
Difference in Value	<u>(4,677,115,352)</u>
Transaction from Business Combination	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	<u>(85,173,967,500)</u>
Difference in Value	190,663,253,676
Realization	<u>(84,027,724,260)</u>
Net	<u>106,635,529,416</u>
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	<u>(265,747,071,500)</u>
Difference in Value	<u>(196,519,120,943)</u>
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	<u>(39,637,690,500)</u>
Difference in Value	159,677,075,500
Realization	<u>(45,581,021,356)</u>
Difference in Value, Net of Realization	<u>114,096,054,144</u>
Net	<u>19,535,347,265</u>

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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, disposed 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, a subsidiary, disposed 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 are 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:

	June 30 2015 Rp	December 31 2014 Rp
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
Total	1,574,002,743,576	529,570,372,012

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 the Deed of Minutes of Annual General Meeting of Shareholders No. 39 dated June 12, 2015 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp380 billion and increased the reserved fund amounting to Rp1 billion from retained earnings of 2014.

Based on the Deed of Annual General Meeting of Shareholders No. 9 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

	June 30 2015 Rp	December 31 2014 Rp
Gain on Changes in Fair Value of Available-for-Sale Financial Assets	661,809,997,622	170,197,156,625
Translation of Financial Statement	851,471,394,481	670,172,145,549
Adjustment PSAK 24 (Revised 2013)	(11,850,549,863)	(11,850,549,863)
Total	1,501,430,842,239	828,518,752,311

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

	June 30 2015 Rp	December 31 2014 Rp
<u>Investment FREIT (see Note 5)</u>		
Bridgewater International Ltd	754,579,883,243	573,756,360,982
Bowsprit Capital Corporation Ltd	187,601,423,684	131,109,596,159
PT Menara Tirta Indah	290,694,427,583	208,205,465,090
<u>Investment LMIRT (see Note 5)</u>		
Bridgewater International Ltd	(594,573,160,764)	(718,469,860,666)
LMIRT Management Ltd	7,336,262,835	(24,404,404,940)
<u>Investment KIJA (see Note 5)</u>		
Intellitop Finance Limited	57,197,694,715	--
Non-Controlling Interest	(41,026,533,675)	--
Gain on Changes in		
Fair Value of Available-for-Sale Financial Assets	661,809,997,622	170,197,156,625

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

33. Non-Controlling Interests

Details of non-controlling interests in the equity of consolidated subsidiaries as of June 30, 2015 and December 31, 2014, are as follows:

	June 30 2015	December 31 2014
	Rp	Rp
PT Lippo Cikarang Tbk	1,446,840,439,047	1,223,472,643,690
PT Siloam International Hospitals Tbk	509,709,188,825	353,400,712,481
PT Gowa Makassar Tourism Development Tbk	217,699,666,237	187,692,216,973
Intellitop Finance Limited	36,142,092,731	--
PT Darma Sarana Nusa Pratama	35,524,794,951	37,505,096,914
PT Metropolitan Permaisemesta	18,923,932,032	15,300,553,628
PT Pelangi Cahaya Intan Makmur	19,124,264,888	16,495,708,082
PT Wahana Usaha Makmur	--	179,626,610,523
Others	30,935,341,134	27,783,034,090
Total	2,314,899,719,845	2,041,276,576,382

34. Revenues

	2015 (6 Months)	2014 (6 Months)
	Rp	Rp
Urban Development:		
Land Lots	302,189,035,504	582,422,067,729
Residential Houses and Shophouses	801,929,150,483	437,876,706,961
Memorial Park	105,108,114,580	81,320,789,156
Asset Enhancements	51,998,689,666	11,860,778,083
Others	8,058,806,792	6,547,446,447
Subtotal	1,269,283,797,025	1,120,027,788,376
Large Scale Integrated Development:		
Apartments	819,675,093,381	790,320,226,454
Asset Enhancements	13,002,090,000	7,976,422,960
Subtotal	832,677,183,381	798,296,649,414
Retail Malls:		
Asset Enhancements	110,775,078,738	120,330,613,988
Shopping Centres	--	2,939,175,246
Subtotal	110,775,078,738	123,269,789,234
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	457,208,385,526	333,438,553,962
Drugs and Medical Supplies	425,989,720,836	347,546,845,278
Ward Fees	179,941,881,440	139,695,194,958
Administration Fees	43,019,597,724	36,497,042,321
Operating Theater	52,264,053,449	34,325,088,449
Delivery Fees	357,391,522	476,179,860
Others	72,971,757,583	70,971,872,634

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (6 Months)	2014 (6 Months)
	Rp	Rp
Outpatient Department		
Medical Support Services and Professional Fees	455,041,785,285	363,774,218,756
Drugs and Medical Supplies	230,523,932,854	186,534,735,247
Registration Fees	20,160,881,221	15,923,851,725
Others	49,480,456,034	38,669,863,017
Subtotal	<u>1,986,959,843,474</u>	<u>1,567,853,446,207</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	138,435,492,279	142,052,340,232
Town Management	122,850,825,832	93,017,614,026
Water and Sewage Treatment	64,281,618,800	62,802,860,429
Recreation and Sports	34,926,348,693	33,511,729,656
Others	12,866,253,697	5,242,482,721
Subtotal	<u>373,360,539,301</u>	<u>336,627,027,064</u>
Property and Portfolio Management:		
Management Fees	173,884,849,161	162,487,525,314
Total Revenues	<u>4,746,941,291,080</u>	<u>4,108,562,225,609</u>

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 (6 Months)	2014 (6 Months)
	Rp	Rp
Urban Development:		
Land Lots	76,351,065,909	220,787,036,579
Residential Houses and Shophouses	347,489,257,186	196,679,313,402
Memorial Park	18,488,608,484	14,764,827,777
Asset Enhancements	689,272,230	406,160,058
Others	6,167,565,651	2,968,014,615
Subtotal	<u>449,185,769,460</u>	<u>435,605,352,431</u>
Large Scale Integrated Development:		
Apartments	403,507,196,552	372,650,649,738
Asset Enhancements	834,515,602	1,707,203,302
Subtotal	<u>404,341,712,154</u>	<u>374,357,853,040</u>
Retail Malls:		
Asset Enhancements	3,738,734,483	373,698,531
Shopping Centres	--	1,069,990,654
Subtotal	<u>3,738,734,483</u>	<u>1,443,689,185</u>

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (6 Months) Rp	2014 (6 Months) Rp
Healthcare:		
Inpatient Department		
Professional Fees, Salaries and Employee Benefits	409,847,326,594	304,466,721,332
Drugs and Medical Supplies	253,934,574,757	221,400,912,223
Clinical Supplies	31,603,427,703	27,514,214,267
Depreciation	72,244,798,135	57,733,267,150
Food and Beverages	32,417,947,080	24,435,627,161
Repair and Maintenance	7,583,764,681	4,815,496,053
Others	53,996,692,131	43,021,959,453
Outpatient Department		
Professional Fees, Salaries and Employee Benefits	264,668,377,208	211,698,443,559
Drugs and Medical Supplies	188,336,441,283	157,760,437,115
Clinical Supplies	14,786,861,435	15,650,119,156
Depreciation	42,702,820,159	32,748,559,696
Repair and Maintenance	5,136,105,902	2,585,021,011
Others	43,624,979,512	32,421,146,909
Subtotal	1,420,884,116,580	1,136,251,925,085
Hospitality and Infrastructure:		
Town Management	71,039,497,116	52,352,825,191
Hotels and Restaurants	51,528,357,345	72,624,512,042
Water and Sewage Treatment	46,183,872,529	22,469,205,861
Recreation and Sports	11,067,050,730	10,368,822,723
Others	6,680,245,493	6,719,426,934
Subtotal	186,499,023,213	164,534,792,751
Property and Portfolio Management:		
Management Fees	25,020,343,378	74,651,394,011
Total Cost of Sales	2,489,669,699,268	2,186,845,006,503

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

36. Operating Expenses

	2015 (6 Months) Rp	2014 (6 Months) Rp
<u>Selling Expenses</u>		
Marketing and Advertising	92,992,324,966	83,477,141,955
Salaries and Employee Benefits	70,659,955,318	28,152,686,661
Management Fees	26,689,211,802	23,175,221,672
Repairs and Maintenance	15,454,600,987	12,895,750,990
Depreciation (see Notes 11 and 12)	11,521,053,578	9,340,965,605
Transportation and Accommodation	10,091,080,009	4,864,087,282
Electricity and Water	3,345,181,460	2,580,136,909
Rent - Net	2,618,064,596	1,853,375,748
Office Supplies	2,326,047,974	1,697,933,412
Others	6,573,004,802	3,550,075,851
Total	242,270,525,492	171,587,376,085

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	2015 (6 Months) Rp	2014 (6 Months) Rp
General and Administration Expenses		
Salaries and Employee Benefits	298,637,674,853	293,790,257,050
Rent - Net	21,025,213,668	47,661,274,806
Depreciation (see Note 12)	92,374,735,015	67,957,320,708
Electricity and Water	70,501,553,658	69,099,507,768
Professional Fees	48,563,235,632	46,169,626,712
Transportation and Accommodation	46,886,553,679	32,622,303,453
Repairs and Maintenance	23,346,371,791	19,446,806,476
Office Supplies	20,566,223,359	20,061,307,962
Communication	12,841,155,138	11,167,309,597
Training and Seminar	12,906,982,002	9,073,444,439
Insurance	9,850,838,815	4,627,042,965
Membership and Subscription Fees	4,157,561,495	4,155,666,612
Others	149,150,504,026	90,249,737,480
Total	810,808,603,131	716,081,606,028
Total Operating Expenses	1,053,079,128,623	887,668,982,113

37. Financial Expense - Net

	2015 (6 Months) Rp	2014 (6 Months) Rp
Interest Income	45,908,840,699	34,595,110,546
Financial Charges	(98,814,630,619)	(75,426,538,305)
Interest Expense	(2,302,149,987)	(5,820,164,180)
Financial Charges - Net	(55,207,939,907)	(46,651,591,939)

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 (6 Months) Rp	2014 (6 Months) Rp
Other Income		
Dividend Income	99,191,613,595	77,856,431,733
Gain on Foreign Exchange - Net	22,387,172,206	4,726,657,122
Gain on Sale of Property and Equipment	21,308,060	190,863,636
Others - Net	57,257,396,370	28,313,347,455
Total Other Income	178,857,490,231	111,087,299,946
Other Expenses		
Amortization Expense	35,281,115,303	31,186,419,116
Total Other Expenses	35,281,115,303	31,186,419,116

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Dividend Income

Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. and PT Menara Tirta Indah, all subsidiaries.

39. Basic Earnings Per Share

The calculation of basic earnings per share is as follows:

	2015 (6 Months)	2014 (6 Months)
Profit for the Period Attributable to Owners of the Parent (Rupiah)	775,317,065,199	672,911,101,492
Weighted Average Number of Common Stocks (Share)	22,771,585,119	22,771,585,119
Basic Earnings per Share (Rupiah)	34.05	29.55

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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp49.0 billion and Rp40.7 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 June 30, 2015 and December 31, 2014 total outstanding commitment amounted to Rp2,153 billion and Rp1,630 billion, respectively. Several of unrealized significant contracts as of June 30, 2015 are as follows:

Subsidiaries	Contractor	Contract Value	Unrealized Contract Value
		(Rp billion)	(Rp billion)
PT. Lippo Cikarang Tbk	PT. Trilogi Surya Wisesa	398	165
PT. Mandiri Cipta Gemilang	PT. Bangun Karya Semesta	655	130
PT. Mapalus Mancasakti	PT. Wijaya Karya Bangunan Gedung	141	113
PT. Mulia Citra Abadi	PT. Bangun Karya Semesta	177	83
PT. Lippo Cikarang Tbk	PT. Cipta Sarana Sukses Abadi	156	80
PT. Lippo Cikarang Tbk	PT. Pembangunan Perumahan (Persero), Tbk	211	47
PT. Lippo Karawaci	PT. Indonesia Pondasi Raya	65	46
PT. Mandiri Cipta Gemilang	PT. Glenindo Citramandiri	92	44

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Subsidiaries	Contractor	Contract Value (Rp billion)	Unrealized Contract Value (Rp billion)
PT. Lippo Karawaci Tbk	DP Architect PTE Ltd	62	38
PT. Saputra Karya	PT. Indonesia Pondasi Raya	43	36
PT. Mandiri Cipta Gemilang	PT. Pembangunan Perumahan (Persero), Tbk	410	35
PT. Mandiri Cipta Gemilang	PT. Kone Indo Elevator	47	33
PT. Mandiri Cipta Gemilang	PT. Hutama Karya (Persero)	459	33
PT. Titian Semesta Raya	PT. Pangkal Multikarya	39	31
PT. Mandiri Cipta Gemilang	PT. Pangkal Multikarya	62	30

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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp82,761,744,006 and Rp80,624,796,276, 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 subjected to 2% penalty plus average lending rate of 3 banks in Singapore.

As this sale and leaseback transaction meets the classification of operating lease and the transaction price was above its fair value, the difference was recognized as deferred gain (see Note 26).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

Rental expense of sale and lease-back transaction for the 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp9,726,938,307 and Rp16,328,955,079, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of "Mochtar Riady Comprehensive Cancer Centre" for 15 years. PC is wholly owned by First REIT. The Company shall pay certain amount as stipulated in the agreement.

Rental expense for the 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp70,004,706,811 and Rp66,984,315,915, 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) days of 1 (first) month of lease period.

On October 5, 2012, PM entered into a 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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp2,230,712,857 and Rp1,650,000,000, 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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp29,126,594,202 and Rp29,126,594,202, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presence of Maria Josefina Grace Kawi Tandiar S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings of 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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp19,937,847,224 and Rp19,937,847,222, respectively.

- Based on Deeds 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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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.

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 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp37,655,049,691 and Rp37,655,049,689, respectively.

- Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, The Company entered into a lease agreement with PT Perisai Dunia Sejahtera (PDS), the owner of the land and buildings of "TB Simatupang Siloam Hospitals" for 15 years. The Company will pay a certain amount as stipulated in the agreement.

Rental expense of sale and lease-back transaction above for the 6 (six) months period ended June 30, 2015 and 2014 amounted to Rp36,001,844,722 and Rp36,001,844,720, 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 6 (six) months period ended June 30, 2015 and 2014 rental expense amounted to Rp187,872,677 and 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 Sronol, 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 in 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 June 30, 2015, the fair value of this facility amounted to USD9,567,424 (equivalent Rp127,552,903,171).

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and

For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of June 30, 2015, the fair value of this facility amounted to USD8,280,286 (equivalent Rp110,392,782,166).
- 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 June 30, 2015, the fair value of this facility amounted to USD4,198,954 (equivalent Rp55,980,457,203).
- 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 June 30, 2015, the fair value of this facility amounted to USD4,712,289 (equivalent Rp62,824,242,036).
- 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 June 30, 2015, the fair value of this facility amounted to USD20,766,737 (equivalent Rp276,862,142,138).
- 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 June 30, 2015, the fair value of this facility amounted to USD19,182,197 (equivalent Rp255,737,053,313).
- 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 June 30, 2015, the fair value of this facility amounted to USD3,616,429 (equivalent Rp48,214,241,493).
- 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 June 30, 2015, the fair value of this facility amounted to USD17,398,894 (equivalent Rp231,962,062,662).
- 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. This facility will due on May 16, 2019. On April 21, 2015, the Company terminate (unwind) this facility.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and

For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 30,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.075% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of June 30, 2015, the fair value of this facility amounted to USD4,900,167 (equivalent Rp65,329,033,103).
- 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 June 30, 2015, the fair value of this facility amounted to USD3,989,755 (equivalent Rp53,191,422,003).
- 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 June 30, 2015, the fair value of this facility amounted to USD3,980,513 (equivalent Rp53,068,211,613).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD2,719,579 (equivalent Rp36,257,439,211).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD8,060,442 (equivalent Rp107,461,825,509).
- 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. This facility will due on May 16, 2019. On April 21, 2015, the Company terminate (unwind) this facility.
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD2,736,382 (equivalent Rp36,481,458,102).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD3,503,352 (equivalent Rp46,706,691,945).
- 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

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and

For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of June 30, 2015, the fair value of this derivative instruments amounted to sebesar USD5,355,333 (equivalent Rp71,397,310,237).

- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, British branch, amounting to USD 75,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of June 30, 2015, the fair value of this derivative instruments amounted to USD6,020,225 (equivalent Rp80,261,648,297).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD140,000,000 for spread option between Rp11,500 and Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of June 30, 2015, the fair value of this derivative instruments amounted to USD5,192,266 (equivalent Rp69,223,299,243).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co International Plc, British branch, amounting to USD50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of June 30, 2015, the fair value of this derivative instruments amounted to USD3,342,449 (ekuivalen Rp44,561,542,121).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD4,495,756 (equivalent Rp59,937,427,892).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD4,654,342 (equivalent Rp62,051,698,765).
- 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 June 30, 2015, the fair value of this derivative instruments amounted to USD2,500,213 (equivalent Rp33,332,852,740).
- On April 21, 2015, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, Singapore branch, amounting to USD50,000,000 for spread between Rp10,200 and Rp13,200 with an annual premium rate 2.270% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of June 30, 2015, the fair value of this derivative instruments amounted to USD10,189,119 (equivalent Rp135,841,343,639).

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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 12% per year. This loan can be used for working capital purposes and will mature on October 25, 2015.

This facility is secured by land of 38,901 sqm, with the Land Right (HGB) No. 178/Sukaesmi registered under the name of PT Waska Sentana, a subsidiary (see Note 6).

41. Segment Information

	2015 (6 Months)						(In Thousand Rupiah)	
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp		Rp
Revenues	1,303,118,091	832,677,183	110,775,079	1,986,959,843	373,360,539	173,884,849	(33,834,293)	4,746,941,291
Tax Expense - Final	(63,557,374)	(47,029,561)	(11,602,099)	--	--	--	--	(122,189,034)
Revenues - Net	1,239,560,717	785,647,622	99,172,980	1,986,959,843	373,360,539	173,884,849	(33,834,293)	4,624,752,257
Gross Profit	790,374,947	381,305,910	95,434,245	566,075,727	186,861,516	148,864,506	(33,834,293)	2,135,082,558
Selling Expenses	(128,932,057)	(23,626,926)	(39,379,349)	(16,105,405)	(5,678,527)	(37,393,436)	8,845,174	(242,270,526)
General and Administrative Expenses	(216,418,301)	(59,004,276)	(13,964,495)	(413,407,417)	(79,095,184)	(53,908,048)	24,989,119	(810,808,602)
Interest Income	53,327,697	5,625,185	620,294	3,097,930	461,754	156,584	(17,380,603)	45,908,841
Interest Expenses	(87,685,096)	(1,025,499)	(204,178)	(27,996,935)	(1,548,554)	(37,122)	17,380,603	(101,116,781)
Other Income (Expenses) - Net	103,216,244	51,766,683	(7,345,625)	(16,169,110)	(11,742,853)	23,851,036	--	143,576,375
Share in the Profit (Loss) of Associates	(13,474,816)	--	--	--	16,213,066	--	--	2,738,250
Profit Before Tax	500,408,618	355,041,077	35,160,892	95,494,790	105,471,218	81,533,520	--	1,173,110,115
Tax Benefit (Expense)								
Current	(54,228,517)	--	--	(34,470,634)	(8,807,905)	(10,997,372)	--	(108,504,428)
Deferred	(9,545,089)	--	--	787,360	2,277,469	(653,936)	--	(7,134,196)
Profit for the Period	436,635,012	355,041,077	35,160,892	61,811,516	98,940,782	69,882,212	--	1,057,471,491
Profit for the period attributable to:								
Owner of the Parent	160,967,659	347,872,721	34,795,662	62,049,645	98,940,782	70,690,597	--	775,317,066
Non-Controlling Interest	275,667,353	7,168,356	365,230	(238,129)	--	(808,385)	--	282,154,425
	436,635,012	355,041,077	35,160,892	61,811,516	98,940,782	69,882,212	--	1,057,471,491
Segment Assets	25,495,230,323	7,647,523,364	2,266,937,163	2,962,791,449	715,979,770	1,578,954,786	--	40,667,416,855
Investment in Associates	120,265,359	--	--	--	1,643,413	--	--	121,908,772
Total Assets	25,615,495,682	7,647,523,364	2,266,937,163	2,962,791,449	717,623,183	1,578,954,786	--	40,789,325,627
Segment Liabilities	15,921,417,479	3,247,902,910	462,689,583	883,198,966	73,393,238	167,989,738	--	20,756,591,914
Capital Expenditures	194,324,040	44,561,943	77,978,412	158,461,560	16,334,146	--	--	491,660,101
Depreciation	27,617,015	3,164,057	2,363,873	164,582,407	22,193,859	894,525	--	220,815,736
Non-Cash Expenses Other than Depreciation	35,281,115	--	--	--	--	--	--	35,281,115

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

	2014 (6 Months)						(In Thousand Rupiah)	
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Elimination	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Revenues	1,125,938,322	798,296,649	123,269,789	1,567,853,446	336,627,027	162,487,525	(5,910,532)	4,108,562,226
Tax Expense - Final	(66,806,388)	(40,313,652)	(10,268,049)	--	--	--	--	(117,388,089)
Revenues - Net	1,059,131,934	757,982,997	113,001,740	1,567,853,446	336,627,027	162,487,525	(5,910,532)	3,991,174,137
Gross Profit	623,526,581	383,625,144	111,558,051	431,601,521	172,092,234	87,836,131	(5,910,532)	1,804,329,130
Selling Expenses	(79,939,870)	(43,488,568)	(33,934,965)	(12,859,806)	(5,742,291)	(1,532,408)	5,910,532	(171,587,376)
General and Administrative Expenses	(165,824,038)	(79,507,037)	(12,487,127)	(338,758,816)	(64,672,239)	(54,832,349)	--	(716,081,606)
Interest Income	16,538,345	7,714,740	681,777	8,972,373	571,218	116,657	--	34,595,110
Interest Expenses	(48,313,899)	(222,145)	(52,243)	(31,361,108)	(1,532,917)	235,611	--	(81,246,701)
Other Income (Expenses) - Net	53,918,294	4,535,313	4,168,671	(4,944,454)	3,170,504	19,052,552	--	79,900,880
Share in the Profit (Loss) of Associates	(7,832,231)	--	--	--	8,587,777	--	--	755,546
Profit Before Tax	392,073,182	272,657,447	69,934,164	52,649,710	112,474,286	50,876,194	--	950,664,983
Tax Benefit (Expense)								
Current	(21,976,398)	--	--	(10,905,693)	(11,202,559)	(9,907,661)	--	(53,992,311)
Deferred	(3,213,435)	--	--	2,818,584	2,409,371	(480,376)	--	1,534,144
Profit for the Period	366,883,349	272,657,447	69,934,164	44,562,601	103,681,098	40,488,157	--	898,206,816
Profit for the period attributable to:								
Owner of the Parent	156,144,767	257,515,122	68,944,938	46,136,872	103,681,098	40,488,304	--	672,911,101
Non-Controlling Interest	210,738,582	15,142,325	989,226	(1,574,271)	--	(147)	--	225,295,715
	366,883,349	272,657,447	69,934,164	44,562,601	103,681,098	40,488,157	--	898,206,816
Segment Assets	20,612,238,107	7,272,797,564	1,721,708,616	2,639,878,372	697,688,884	1,549,996,492	--	34,494,308,035
Investment in Associates	109,797,589	--	--	--	1,594,454	--	--	111,392,043
Total Assets	20,722,035,696	7,272,797,564	1,721,708,616	2,639,878,372	699,283,338	1,549,996,492	--	34,605,700,078
Segment Liabilities	14,176,720,419	3,295,625,395	449,267,277	590,530,525	56,275,944	204,990,299	--	18,773,409,859
Capital Expenditures	32,920,515	72,086,736	3,331,642	128,461,219	13,977,073	--	--	250,777,185
Depreciation	16,255,827	2,943,498	1,444,906	127,997,834	19,853,113	922,450	--	168,495,178
Non-Cash Expenses Other than Depreciation	31,168,806	17,613	--	--	--	--	--	31,186,419

42. Monetary Asset and Liabilities Denominated in Foreign Currencies

	June 30, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	14,418,841	113,800	50,328,368	126,486	6,376	692,195,914,860
Trade Accounts Receivable	--	--	3,451,294	--	--	34,150,554,130
Other Current Financial Assets	--	--	5,319,218	--	--	52,633,658,944
Total Assets	14,418,841	113,800	59,098,880	126,486	6,376	778,980,127,934
Liabilities						
Trade Accounts Payable	281,406	--	6,293,964	--	--	66,030,478,572
Accrued Expenses	1,769,989	--	594,832	--	--	29,483,355,988
Bonds Payable	803,306,000	--	-	--	--	10,709,675,592,000
Total Liabilities	805,357,395	--	6,888,796	--	--	10,805,189,426,560
Net Assets (Liabilities)	(790,938,554)	113,800	52,210,084	126,486	6,376	(10,026,209,298,626)

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	December 31, 2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	--	--	1,701,204	--	--	16,028,744,088
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	13,858,862	113,800	222,018,208	188,113	406,259	2,271,269,531,197
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	(798,915,409)	113,800	220,268,501	188,113	406,259	(7,856,128,139,397)

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 40.d).

43. Contingencies

- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to the Company as defendant regarding the termination of plaintiff's work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 however, the plaintiff's claim is granted through the decision of the High Court of Jakarta No.626/PDT/2009/PT.DKI date June 29, 2010.

On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court (SC). Then based on the contents of the Decision Notice Relas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat No.626/PDT/2009/PT.DKI and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000.

Up to completion date of the consolidated financial statements, SIH is still pursuing remedy reconsideration to the Supreme Court.

- On July 9, 2009, Alfonsus Budi Susanto, SE, MA, the plaintiff, filed a lawsuit to the Company as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta No. 548/PDT/2010/PT.DKI. On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Up to completion date of the consolidated financial statements, this case is still in process.
- On October 1, 2012, 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. The Supreme Court decided to strengthen the Jambi High Court decision No. 63/PDT/2013/PT.JBI dated November 28, 2014.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and

For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

- 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 at District Court Tangerang.
- Based on case letter No. 163/Pdt.G/2013/PN.Mks, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is the Convention Defendant and Reconvention Plaintiff of 59,996 sqm land area located in Maccini Sombala Village, Ujung Pandang Municipal. Up to completion date of the consolidated financial statements, the case is still under appeal.
- Based on the case No. 207/Pdt.G/2010/PN.Mks Tahun 2010, GMTD is an Intervention Plaintiff of 60,000 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.
- Based on the case No. 265/Pdt.G/2011/PN.Mks, GMTD is the plaintiff of 68,929 sqm land area located in Mattoangin Village, Mariso District, Makassar. Up to completion date of the consolidated financial statements, the case is still in the planning of submission for judicial review to the Supreme Court of the Republic of Indonesia.
- Based on the case No. 218/Pdt.G/2013/PN.Mks, GMTD is the plaintiff of 21,023.17 sqm land area located in Lette Village, Mariso District, Ujung Pandang Municipal. Up to completion date of the consolidated financial statements, the case is still under appeal.
- Based on the case No. 62/G/2013/PTUN.Mks, GMTD is the plaintiff of 17,704 sqm land area located in Tanjung Merdeka Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.
- Based on the case No. 57/G.TUN/2013/PT.TUN.Mks Tahun 2013, GMTD is the plaintiff of 19,995 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still under appeal.
- Based on the case No. 342/Pdt.G/2014, GMTD is Plaintiff of 30,376 sqm land area, located in Maccini Sombala Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in appeal process in the High Court 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. Lawsuit over the case has been revoked on May 12, 2015.
- 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 appeal process in the High Court 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 appeal process in the High Court 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

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
(Expressed In Full Rupiah, Unless Otherwise Stated)

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 under appeal.
- 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, the case is still in under appeal.
- Based on the case No. 144/Pdt.G/2014/PN.Mks and No. 145/Pdt.G/2014/PN.Mks, GMTD is Defendant I of 18,300 sqm land area located in Kaccia Village/ Patukangan Barombong Village, Tamalate District, Makassar. Up to completion date of the consolidated financial statements, the case is still in under appeal.
- 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 Administrative Court of Makassar.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

- 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

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 Group manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing banks and financial institutions that they deal with, which includes choosing only the reputable and creditworthy banks and financial institutions.

The following table analyzes the quality of financial assets based on maturity for each financial assets:

	June 30 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	2,124,629,088,602	--	--	--	--	2,124,629,088,602
Loans and Receivables						
Cash and Cash Equivalents	2,032,790,616,639	--	--	--	--	2,032,790,616,639
Trade Accounts Receivable	502,175,539,956	312,971,586,305	90,986,362,309	298,997,858,986	702,955,807,599	1,205,131,347,555
Other Current Financial Assets	989,573,117,980	--	--	--	--	989,573,117,980
Due from Related Parties Non-trade	35,130,176,802	--	--	--	--	35,130,176,802
Other Non-Current Financial Assets	576,503,227,386	--	--	--	--	576,503,227,386
Available-for-Sale						
Others Current Financial Asset	6,741,870,041,814	--	--	--	--	6,741,870,041,814
Others Non-Current Financial Asset	58,329,023,011	--	--	--	--	58,329,023,011
Total Financial Assets	13,061,000,832,189	312,971,586,305	90,986,362,309	298,997,858,986	702,955,807,599	13,763,956,639,789

	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 have provided allowance for impairment on due trade accounts receivable (see Note 4).

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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.

The following tables show total financial assets and liabilities in foreign currencies as of June 30, 2015 and December 31, 2014:

	June 30, 2015					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	14,418,841	113,800	50,328,368	126,486	6,376	692,195,914,860
Trade Accounts Receivable	-	-	3,451,294	-	-	34,150,554,130
Other Current Financial Assets	160,174,405	-	653,387,060	-	-	8,600,710,123,837
Other Non-Current Financial Assets	-	-	5,319,218	-	-	52,633,658,944
Total Assets	174,593,246	113,800	712,485,940	126,486	6,376	9,379,690,251,771
Liabilities						
Trade Accounts Payable	281,406	--	6,293,964	--	--	66,030,478,572
Accrued Expenses	1,769,989	--	594,832	--	--	29,483,355,988
Bonds Payable	803,306,000	--	--	--	--	10,709,675,592,000
Total Liabilities	805,357,395	--	6,888,796	--	--	10,805,189,426,560
Net Assets (Liabilities)	(630,764,149)	113,800	705,597,144	126,486	6,376	(1,425,499,174,789)

	December 31, 2014					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalents	9,908,908	113,800	210,627,281	188,113	406,259	2,114,806,789,243
Trade Accounts Receivable	3,949,954	--	4,642,154	--	--	92,875,802,748
Other Current Financial Assets	143,756,626	--	600,438,854	--	--	7,445,667,309,828
Other Non-Current Financial Assets	--	--	5,047,569	--	--	47,558,195,118
Total Assets	157,615,488	113,800	820,755,858	188,113	406,259	9,700,908,096,937
Liabilities						
Trade Accounts Payable	--	--	113,554	--	--	1,069,905,788
Accrued Expenses	9,468,271	--	1,636,153	--	--	133,201,124,806
Bonds Payable	803,306,000	--	--	--	--	9,993,126,640,000
Total Liabilities	812,774,271	--	1,749,707	--	--	10,127,397,670,594
Net Assets (Liabilities)	(655,158,783)	113,800	819,006,151	188,113	406,259	(426,489,573,657)

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Sensitivity Analysis

A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp23,588,754,279 (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 Rp213,459,350,792 (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.

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:

	June 30, 2015				
	Will Due On			Maturity not	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp	Determined Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	511,306,688,427	--	--	--	511,306,688,427
Accrued Expenses	1,142,277,340,450	--	--	--	1,142,277,340,450
Short-Term Post-Employment Benefits Liability	17,688,085,079	--	--	--	17,688,085,079
Other Current Financial Liabilities	--	--	--	784,331,359,848	784,331,359,848
Short-Term Bank Loan	272,957,384,393	--	--	--	272,957,384,393
Long-Term Bank Loan	12,786,401,134	24,041,740,148	--	--	36,828,141,282
Due to Related Parties Non-trade	--	--	--	3,144,291,330	3,144,291,330
Bonds Payable	--	3,321,730,749,904	7,173,740,944,685	--	10,495,471,694,589
Other Long-Term Financial Liabilities	--	--	--	82,296,849,593	82,296,849,593
Total	1,957,015,899,483	3,345,772,490,052	7,173,740,944,685	869,772,500,771	13,346,301,834,991
	December 31, 2014				
	Will Due On			Maturity not	Total
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years Rp	Determined Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	395,133,955,463	--	--	--	395,133,955,463
Accrued Expenses	1,125,429,552,800	--	--	--	1,125,429,552,800
Short-Term Post-Employment Benefits Liability	18,383,620,765	--	--	--	18,383,620,765
Other Current Financial Liabilities	--	--	--	407,086,748,603	407,086,748,603
Short-Term Bank Loan	173,540,195,011	--	--	--	173,540,195,011
Long-Term Bank Loan	12,435,856,488	30,525,083,739	--	--	42,960,940,227
Due to Related Parties Non-trade	--	--	--	3,379,278,119	3,379,278,119
Bonds Payable	--	3,096,449,370,671	6,684,161,925,880	--	9,780,611,296,551
Other Long-Term Financial Liabilities	--	--	--	67,387,383,763	67,387,383,763
Total	1,724,923,180,527	3,126,974,454,410	6,684,161,925,880	477,853,410,485	12,013,912,971,302

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

(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 Rp67,418,700,418 (2014: Rp55,029,582,631).

Fair Value Estimation

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

	June 30, 2015		December 31, 2014	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Fair value through profit or loss				
Derivative	2,124,629,088,602	2,124,629,088,602	1,787,652,313,287	1,787,652,313,287
Loans and Receivable				
Cash and Cash Equivalents	2,032,790,616,639	2,032,790,616,639	3,529,169,475,504	3,529,169,475,504
Trade Accounts Receivable	1,205,131,347,555	1,205,131,347,555	951,103,629,896	951,103,629,896
Other Current Financial Assets	989,573,117,980	989,573,117,980	820,399,687,755	820,399,687,755
Due from Related Parties Non-trade	35,130,176,802	35,130,176,802	14,788,363,567	14,788,363,567
Other Non-Current Financial Assets	576,503,227,386	576,503,227,386	561,596,218,297	561,596,218,297
Available-for-Sale				
Other Current Financial Assets	6,741,870,041,814	6,741,870,041,814	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
Total Financial Assets	13,763,956,639,789	13,763,956,639,789	13,225,996,974,425	13,225,996,974,425
Financial Liabilities				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	511,306,688,427	511,306,688,427	395,133,955,463	395,133,955,463
Accrued Expenses	1,142,277,340,450	1,142,277,340,450	1,125,429,552,800	1,125,429,552,800
Short-Term Post-Employment Benefits Liability	784,331,359,848	784,331,359,848	407,086,748,603	407,086,748,603
Other Current Financial Liabilities	17,688,085,079	17,688,085,079	18,383,620,765	18,383,620,765
Short-Term Bank Loan	272,957,384,393	272,957,384,393	173,540,195,011	173,540,195,011
Long-Term Bank Loan	3,144,291,330	3,144,291,330	3,379,278,119	3,379,278,119
Due to Related Parties Non-trade	36,828,141,282	36,828,141,282	30,525,083,739	30,525,083,739
Bonds Payable	10,495,471,694,589	10,891,014,322,980	9,780,611,296,551	9,991,818,947,200
Other Long-Term Financial Liabilities	82,296,849,593	82,296,849,593	67,387,383,763	67,387,383,763
Total Financial Liabilities	13,346,301,834,991	13,741,844,463,382	12,001,477,114,814	12,212,684,765,463

As of June 30, 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

	June 30, 2015 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss - Derivative	2,124,629,088,602	--	2,124,629,088,602	--
Available-for-Sale				
Other Current Financial Assets	6,741,870,041,814	6,741,870,041,814	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011
	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 Premium Venture International Ltd (PVIL)

On June 29, 2015, PT Lippo Cikarang acquired 100% shares of PVIL indirectly through PT Swadaya Teknopolis from third party, in line with the strategic business expansion which support the Group's business activities.

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

	Rp
Due from Related Party Non-Trade	166,403,402,805
Investment	67,885,344
Total Assets	166,471,288,149
Shareholder Loan	166,471,274,817
Equities	13,332
Total Liabilities and Equities	166,471,288,149
Portion Acquired	100%
Share of Fair Value of Net Assets	167,426,688,280
Goodwill	2,673,311,720
Total Purchase Consideration	170,100,000,000

Goodwill arising from the acquisition amounted to Rp2,673,311,720 (see Note 13) which is the result of a subsidiary that support the business and synergy with the Group's core business.

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

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year statement of comprehensive income.

In connection with the acquisition, PVIL financial statements since date of acquisition are consolidated to financial statements of the Group.

Total revenues and income before income tax PVIL since date of acquisition which are included in the consolidated statement of comprehensive income for the period 6 (six) months ended June 30, 2015 amounted to nil.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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 Aset	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)
Net Assets	15,205,501,610
Portion Acquired	100%
Share of Fair Value of Net Assets	15,205,501,610
Goodwill	64,794,498,390
Total Purchase Consideration	80,000,000,000

Goodwill arising from the acquisition amounted to Rp64,794,498,390 (see Note 13) which is the result of a subsidiary that support the business and synergy with the Group's core business.

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

Expenses related to the acquisition are not taken into account in the business combination because it is not material and have been charged to the current year 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

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:

	Rp
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)
Net Assets	543,894,892,440
Portion Acquired	100%
Share of Fair Value of Net Assets	543,894,892,440
Goodwill	5,791,607,560
Total Purchase Consideration	549,686,500,000

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

The Company through its subsidiaries acquired 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

Acquisition of PT Rashal Siar Cakra Medika (RSCM)

On July 23, 2014, PT Tunggal Pilar Perkasa (TPP) and PT Mahkota Buana Selaras (MBS), acquired 75% and 25%, respectively, ownership in PT Rashal Siar Cakra Medika (RSCM) from third parties, in line with the strategic business expansion plan which supports the Group's business activities.

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

	Rp
Cash and Cash Equivalents	728,784,434
Trade Accounts Receivable	3,448,662,848
Other Current Financial Assets	1,103,523,414
Inventory	2,262,299,275
Prepaid Tax	3,907,670,574
Prepaid Expenses	142,249,976
Due from Related Parties Non-Trade	742,933,125
Property, Plant and Equipment	100,970,760,605
Trade Accounts Payable - Third Parties	(4,598,342,558)
Accrued Expenses	(5,394,701,296)
Tax Payable	(781,249,546)
Other Current Financial 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)
Net Assets	3,014,222,773
Portion Acquired	100%
Share of Fair Value of Net Assets	3,014,222,773
Goodwill	101,776,732,211
Total Purchase Consideration	104,790,954,984

Goodwill arising from the acquisition amounted to Rp101,776,732,211 (see Note 13) and represents subsidiary business results that support and synergy with the core business of the Group.

Cost related to the acquisition amounted to Rp1,124,632,854, recorded as acquisition cost.

The Company through its subsidiaries acquired 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.

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

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and
 For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)
 (Expressed In Full Rupiah, Unless Otherwise Stated)

46. Non-Cash Transactions

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

- For the 6 (Six) months period ended June 30, 2015 and 2014, AFS investment derived from the payment of management fees amounted to 2,789,135 and 3,155,289 First REIT units (equivalent to Rp34,484,063,398 and Rp30,708,915,310), respectively, in Bowsprit Capital Corporation Ltd and AFS investment amounted to 19,131,860 and 6,264,646 LMIR Trust (equivalent to Rp62,496,961,982 and Rp22,957,150,187) in LMIRT Management Ltd.
- As of June 30, 2015, addition of property and equipment in subsidiaries through realization of advance on purchase of property and equipment amounted to Rp21,528,637,910.

47. Capital Management

	June 30 2015 Rp	December 31 2014 Rp
Net Liabilities:		
Total Liabilities	20,756,591,914,487	20,114,771,650,490
Less: Cash and Cash Equivalents	(2,032,790,616,639)	(3,529,169,475,504)
Net Liabilities	18,723,801,297,848	16,585,602,174,986
Total Equity	20,032,733,713,360	17,646,449,043,205
Less: Other Components of Equity	(6,514,970,021,144)	(4,524,002,416,188)
Adjusted Equity	13,517,763,692,216	13,122,446,627,017
Net Liability Ratio to Adjusted Equity	1.39	1.26

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

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

As of June 30, 2015 (Unaudited) and December 31, 2014 (Audited) and

For the 6 (Six) Months Period Ended June 30, 2015 and 2014 (Unaudited)

(Expressed In Full Rupiah, Unless Otherwise Stated)

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 July 30, 2015.