

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

**Consolidated Financial Statements  
For the Years Ended December 31, 2013 and 2012**



**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES**

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**DIRECTORS' STATEMENT  
ON  
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

We the undersigned:

- |  |  |
|--|--|
| 1. Name                                      | : Ketut Budi Wijaya  |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811         |
| Residential Address<br>(as in identity card) | : Jln. Percetakan Negara II/3<br>Johar Baru, Jakarta Pusat.  |
| Telephone                                    | : (021)2566 9000   |
| Title  | : President Director   |
|  |  |
| 2. Name                                      | : Tjokro Libianto  |
| Address                                      | : Menara Matahari Lt. 22<br>Jln. Bulevar Palem Raya No. 7<br>Lippo Karawaci, Tangerang 15811         |
| Residential Address<br>(as in identity card) | : Jln. Kembangan Utama Blok L.I. No. 10<br>Rt 010/Rw 009 Kembangan Utara<br>Kembangan, Jakarta Barat |
| Telephone                                    | : (021)2566 9000   |
| Title  | : 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, 20 March 2014

**PT Lippo Karawaci Tbk**

  
  
  
**Ketut Budi Wijaya**  
President Director

**Tjokro Libianto**  
Director

*This report is originally issued in Indonesia language*

**Number : R/123.AGA-E/bna.2/2014**

Kantor Akuntan Publik  
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## **Independent Auditors' Report**

The Stockholders, Commissioners and Directors  
**PT Lippo Karawaci Tbk**

We have audited the accompanying consolidated financial statements of PT Lippo Karawaci Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013 and the consolidated statement of comprehensive income, statement of changes in equity, and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the consolidated financial statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statement based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*This report is originally issued in Indonesia language*

### **Opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respect, the consolidated financial position of PT Lippo Karawaci Tbk and its subsidiaries as of December 31, 2013, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

**Aryanto, Amir Jusuf, Mawar & Saptoto**



A handwritten signature in blue ink, appearing to read "Benny Andria", is written over a faint circular stamp. The stamp contains text in Indonesian, including "RSM AAJ" and "Public Accountant License Number: AP.0181".

**Benny Andria**

Public Accountant License Number: AP.0181

Jakarta, March 20, 2014

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
As of December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

| ASSETS                                 | Notes                               | 2013<br>Rp                | 2012<br>Rp                |
|--|-------------------------------------|---------------------------|---------------------------|
| <b>Current Assets</b>                  |                                     |                           |                           |
| Cash and Cash Equivalents              | 2.c, 2.d, 2.f, 2.x, 3, 9, 41, 43    | 1,855,051,780,961         | 3,337,357,407,919         |
| Trade Accounts Receivable              | 2.x, 2.y, 4, 43                     |                           |                           |
| Third Parties                          | 2.c, 41                             | 769,239,450,809           | 591,205,993,335           |
| Related Parties                        | 2.f, 9                              | 2,432,208,891             | 3,171,020,453             |
| Other Current Financial Assets         | 2.c, 2.s, 2.x, 2.y, 5, 39.d, 41, 43 | 6,778,482,488,250         | 4,603,435,991,596         |
| Inventories                            | 2.g, 2.l, 2.m, 6                    | 13,894,009,358,067        | 10,504,909,573,401        |
| Prepaid Taxes                          | 2.u, 17.c                           | 576,053,458,431           | 330,155,958,274           |
| Prepaid Expenses                       | 2.h, 7, 39.b                        | 137,858,917,501           | 109,214,896,716           |
| <b>Total Current Assets</b>            |                                     | <b>24,013,127,662,910</b> | <b>19,479,450,841,694</b> |
| <b>Non-Current Assets</b>              |                                     |                           |                           |
| Due from Related Parties Non-Trade     | 2.f, 2.x, 9, 43                     | 9,737,396,584             | 11,460,650,042            |
| Other Non-Current Financial Assets     | 2.c, 2.x, 8, 41, 43                 | 518,798,100,269           | 402,631,259,780           |
| Investments in Associates              | 2.e, 2.f, 9, 10                     | 130,431,496,396           | 85,783,638,690            |
| Investment Property                    | 2.i, 2.k, 2.m, 11                   | 306,361,105,208           | 301,745,856,881           |
| Property and Equipment                 | 2.j, 2.m, 2.y, 12                   | 2,810,892,282,327         | 2,222,377,300,854         |
| Intangible Assets                      | 2.n, 2.o, 13, 44                    | 331,840,973,411           | 214,637,574,108           |
| Deferred Tax Assets                    | 2.u, 2.y, 17.b                      | 50,363,528,322            | 76,454,612,653            |
| Advances                               | 14                                  | 1,456,429,749,828         | 1,079,837,163,783         |
| Land for Development                   | 2.g, 15                             | 1,611,411,858,630         | 929,483,420,264           |
| Other Non-Current Non-Financial Assets |                                     | 60,968,276,381            | 65,433,414,344            |
| <b>Total Non-Current Assets</b>        |                                     | <b>7,287,234,767,356</b>  | <b>5,389,844,891,399</b>  |
| <b>TOTAL ASSETS</b>                    |                                     | <b>31,300,362,430,266</b> | <b>24,869,295,733,093</b> |

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

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)**

As of December 31, 2013 and 2012

(Expressed In Full Rupiah, Unless Otherwise Stated)

| LIABILITIES AND EQUITY  | Notes                          | 2013<br>Rp                | 2012<br>Rp                |
|---|--------------------------------|---------------------------|---------------------------|
| <b>LIABILITIES</b>  |                                |                           |                           |
| <b>Current Liabilities</b>                                      |                                |                           |                           |
| Trade Accounts Payable - Third Parties                          | 2.c, 2.x, 18, 41, 43           | 397,748,177,608           | 575,701,267,461           |
| Accrued Expenses  | 2.c, 2.l, 2.s, 2.x, 16, 41, 43 | 551,608,473,508           | 487,335,826,278           |
| Taxes Payable   | 2.u, 17.d                      | 253,597,145,454           | 199,078,158,108           |
| Short-Term Employment Benefits Liabilities                      | 2.q, 2.y, 9, 43                | 13,318,752,901            | 6,326,397,455             |
| Short-Term Bank Loans   | 2.x, 19, 43                    | 4,927,167,196             | 4,853,583,896             |
| Current Portion of Long-Term-Bank Loans                         | 2.x, 21, 43                    | 11,792,174,233            | 11,218,103,420            |
| Other Current Financial Liabilities                             | 2.x, 20, 41, 43                | 300,183,744,169           | 179,543,836,416           |
| Advances from Customers   | 2.t, 24                        | 3,076,033,864,066         | 1,850,726,035,076         |
| Deferred Income   | 2.f, 2.t, 9, 25                | 112,750,964,416           | 79,696,900,858            |
| Deferred Gain on Sale and Leaseback Transactions                | 2.k, 26, 39.b                  | 119,603,248,421           | 84,727,362,523            |
| <b>Total Current Liabilities</b>                                |                                | <b>4,841,563,711,972</b>  | <b>3,479,207,471,491</b>  |
| <b>Non-Current Liabilities</b>                                  |                                |                           |                           |
| Long-Term Bank Loans  | 2.x, 21, 43                    | 42,960,940,232            | 54,753,114,466            |
| Due to Related Parties Non-Trade                                | 2.f, 2.x, 9, 43                | 3,828,292,119             | 3,188,994,396             |
| Bonds Payable   | 2.c, 2.p, 2.x, 22, 41, 43      | 7,747,839,607,892         | 5,943,529,636,435         |
| Other Non-Current Financial Liabilities                         | 2.x, 43                        | 50,996,677,731            | 85,634,498,079            |
| Long-Term Employment Benefits Liabilities                       | 2.f, 2.q, 2.y, 9, 23           | 187,635,603,635           | 161,333,982,735           |
| Deferred Tax Liabilities  | 2.u, 2.y, 17.b                 | 11,983,104,371            | 6,653,250,000             |
| Advances from Customers   | 2.t, 24                        | 2,245,662,396,406         | 2,142,860,001,643         |
| Deferred Income   | 2.f, 2.t, 9, 25                | 715,824,259,042           | 662,901,019,769           |
| Deferred Gain on Sale and Leaseback Transactions                | 2.k, 26, 39.b                  | 1,274,494,531,641         | 859,127,373,604           |
| <b>Total Non-Current Liabilities</b>                            |                                | <b>12,281,225,413,069</b> | <b>9,919,981,871,127</b>  |
| <b>Total Liabilities</b>  |                                | <b>17,122,789,125,041</b> | <b>13,399,189,342,618</b> |
| <b>EQUITY</b>   |                                |                           |                           |
| <b>Equity Attributable to Owner of the Parent Company</b>       |                                |                           |                           |
| Capital Stock   |                                |                           |                           |
| Par Value - Rp100   |                                |                           |                           |
| Authorized Capital - 64,000,000,000 shares                      |                                |                           |                           |
| Issued and Fully Paid - 23,077,689,619 shares                   | 27                             | 2,307,768,961,900         | 2,307,768,961,900         |
| Additional Paid-in Capital - Net                                | 2.r, 28                        | 4,063,148,621,880         | 4,063,148,621,880         |
| Difference in Transactions with Non-Controlling Interest        | 29.a                           | (185,773,768,543)         | (242,888,251,427)         |
| Difference in Equity Changes of Subsidiaries                    | 29.b                           | 1,105,101,368,218         | -                         |
| Treasury Stock  | 2.x, 27                        | (216,524,113,794)         | (216,524,113,794)         |
| Retained Earnings   |                                | 4,748,452,643,994         | 3,790,222,421,118         |
| Other Comprehensive Income                                      | 31                             | 978,701,350,944           | 954,389,097,088           |
| <b>Total Equity Attributable to Owner of the Parent Company</b> |                                | <b>12,800,875,064,599</b> | <b>10,656,116,736,765</b> |
| <b>Non-Controlling Interests</b>                                | 2.n, 32                        | <b>1,376,698,240,626</b>  | <b>813,989,653,710</b>    |
| <b>Total Equity</b>   |                                | <b>14,177,573,305,225</b> | <b>11,470,106,390,475</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>                             |                                | <b>31,300,362,430,266</b> | <b>24,869,295,733,093</b> |

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

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
For the Years Ended December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

|  | Notes                | 2013<br>Rp                 | 2012<br>Rp                 |
|--|----------------------|----------------------------|----------------------------|
| <b>REVENUES</b>  | 2.f, 2.t, 2.y, 9, 33 | 6,666,214,436,739          | 6,160,214,023,204          |
| <b>COST OF SALES</b>   | 2.t, 34              | <u>(3,619,571,510,440)</u> | <u>(3,339,267,470,227)</u> |
| <b>GROSS PROFIT</b>  |                      | <b>3,046,642,926,299</b>   | <b>2,820,946,552,977</b>   |
| Operating Expenses   | 2.t, 35              | (1,534,231,202,817)        | (1,343,938,696,897)        |
| Other Income   | 2.t, 37              | 585,090,607,595            | 247,027,452,572            |
| Other Expenses   | 2.t, 37              | <u>(154,481,982,099)</u>   | <u>(174,842,064,945)</u>   |
| <b>PROFIT FROM OPERATIONS</b>  |                      | <b>1,943,020,348,978</b>   | <b>1,549,193,243,707</b>   |
| Financial Income (Charges) - Net   | 36                   | (26,711,729,704)           | 1,632,727,916              |
| Share in the Profit of Associates  | 2.e, 2.f, 10         | <u>8,521,607,706</u>       | <u>26,262,314,762</u>      |
| <b>PROFIT BEFORE TAX</b>   |                      | <b>1,924,830,226,980</b>   | <b>1,577,088,286,385</b>   |
| Tax Expenses   | 2.t, 2.u, 17.a       | <u>(332,339,012,284)</u>   | <u>(254,241,267,447)</u>   |
| <b>PROFIT FOR THE YEAR</b>   |                      | <b>1,592,491,214,696</b>   | <b>1,322,847,018,938</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                      |                            |                            |
| Gain from Translations Financial Statements<br>in Foreign Currency                         | 2.c, 31              | 551,913,534,644            | 50,594,220,564             |
| Gain (Loss) on Changes in Fair Value of<br>Available-for-Sale Financial Assets             | 2.c, 2.x, 5, 31      | <u>(468,256,797,333)</u>   | <u>1,109,106,560,589</u>   |
| <b>TOTAL OTHER COMPREHENSIVE INCOME<br/>FOR THE YEAR</b>                                   |                      | <u>83,656,737,311</u>      | <u>1,159,700,781,153</u>   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>   |                      | <b>1,676,147,952,007</b>   | <b>2,482,547,800,091</b>   |
| Profit for the Year Attributable to:   |                      |                            |                            |
| Owner of the Parent Company  |                      | 1,228,230,222,876          | 1,060,221,934,429          |
| Non-Controlling Interests  | 2.b                  | <u>364,260,991,820</u>     | <u>262,625,084,509</u>     |
|  |                      | <b>1,592,491,214,696</b>   | <b>1,322,847,018,938</b>   |
| Total Comprehensive Income for the Year Attributable to:                                   |                      |                            |                            |
| Owner of the Parent Company  |                      | 1,311,886,960,187          | 2,219,922,715,582          |
| Non-Controlling Interests  | 2.b                  | <u>364,260,991,820</u>     | <u>262,625,084,509</u>     |
|  |                      | <b>1,676,147,952,007</b>   | <b>2,482,547,800,091</b>   |
| <b>EARNINGS PER SHARE</b>  |                      |                            |                            |
| Basic, Profit for the Year Attributable to<br>Ordinary Share Holders of the Parent Company | 2.v, 38              | 53.94                      | 46.48                      |

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



These consolidated financial statements are originally issued in Indonesian language

**PT LIPPO KARAWACI Tbk**  
**AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the Years Ended December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

| Total Equity Attributable to Owner of Parent Company                         |   |  |   |                          |   |  |                          |                      |                          |                          |   |   |                          |                           |                             |                           |
|--|---|--|---|--------------------------|---|--|--------------------------|----------------------|--------------------------|--------------------------|---|---|--------------------------|---------------------------|-----------------------------|---------------------------|
| Notes  | Additional Paid-in Capital - Net          |  |   |                          |   | Difference in Equity Transactions of Subsidiary Rp | Treasury Stock Rp        | Retained Earnings    |                          |                          | Other Comprehensive Income                                  |   |                          |                           |                             |                           |
|  | Issued and Fully Paid-in Capital Stock Rp | Paid-in Capital Excess of Par - Net Rp | Difference in Value from Restructuring Transactions between Entities Under Common Control- Net Rp | Total Rp                 | Difference in Transactions with Non-Controlling Interest Rp |  |                          | Appropriated Rp      | Unappropriated Rp        | Total Rp                 | Translations of Financial Statements in Foreign Currency Rp | Changes in Fair Value of Available for Sale Financial Assets Rp | Total Rp                 | Total Rp                  | Non-Controlling Interest Rp | Total Rp                  |
| <b>BALANCE AS OF DECEMBER 31, 2011</b>                                       | <b>2,307,768,961,900</b>                  | <b>4,043,613,274,615</b>               | <b>19,535,347,265</b>   | <b>4,063,148,621,880</b> | <b>(177,677,727,750)</b>                                    | --   | <b>(61,731,458,788)</b>  | <b>5,000,000,000</b> | <b>2,902,500,486,689</b> | <b>2,907,500,486,689</b> | <b>9,540,001,087</b>  | <b>(214,851,685,152)</b>  | <b>(205,311,684,065)</b> | <b>8,833,697,199,866</b>  | <b>575,320,994,588</b>      | <b>9,409,018,194,454</b>  |
| <b>Equity Changes in 2012</b>  |   |  |   |                          |   |  |                          |                      |                          |                          |   |   |                          |                           |                             |                           |
| Share Buyback  | 27  | --                                     | --  | --                       | --  | --   | (154,792,655,006)        | --                   | --                       | --                       | --  | --  | --                       | (154,792,655,006)         | (23,795,497,725)            | (178,588,152,731)         |
| Dividend and Reserved Fund   | 30  | --                                     | --  | --                       | --  | --   | --                       | 1,000,000,000        | (178,500,000,000)        | (177,500,000,000)        | --  | --  | --                       | (177,500,000,000)         | --                          | (177,500,000,000)         |
| Dividend Distribution In Subsidiary  |   | --                                     | --  | --                       | --  | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | --                        | (8,268,034,677)             | (8,268,034,677)           |
| Acquisition of Subsidiaries  |   | --                                     | --  | --                       | --  | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | --                        | 8,107,107,015               | 8,107,107,015             |
| Total Comprehensive Income for the Year                                      |   | --                                     | --  | --                       | (65,210,523,677)  | --   | --                       | --                   | 1,060,221,934,429        | 1,060,221,934,429        | 50,594,220,564  | 1,109,106,560,589   | 1,159,700,781,153        | 2,154,712,191,905         | 262,625,084,509             | 2,417,337,276,414         |
| <b>BALANCE AS OF DECEMBER 31, 2012</b>                                       | <b>2,307,768,961,900</b>                  | <b>4,043,613,274,615</b>               | <b>19,535,347,265</b>   | <b>4,063,148,621,880</b> | <b>(242,888,251,427)</b>                                    | --   | <b>(216,524,113,794)</b> | <b>6,000,000,000</b> | <b>3,784,222,421,118</b> | <b>3,790,222,421,118</b> | <b>60,134,221,651</b>                                       | <b>894,254,875,437</b>  | <b>954,389,097,088</b>   | <b>10,656,116,736,765</b> | <b>813,989,653,710</b>      | <b>11,470,106,390,475</b> |
| <b>Equity Changes in 2013</b>  |   |  |   |                          |   |  |                          |                      |                          |                          |   |   |                          |                           |                             |                           |
| Dividend and Reserved Fund   | 30  | --                                     | --  | --                       | --  | --   | --                       | 1,000,000,000        | (271,000,000,000)        | (270,000,000,000)        | --  | --  | --                       | (270,000,000,000)         | --                          | (270,000,000,000)         |
| Disposal of Shares in Subsidiary   | 29.a                                      | --                                     | --  | --                       | 51,469,368,683  | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | 51,469,368,683            | --                          | 51,469,368,683            |
| Dividend Distribution In Subsidiary  |   | --                                     | --  | --                       | --  | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | --                        | (42,222,932,031)            | (42,222,932,031)          |
| Acquisition of Shares of Non-controlling Interest                            | 29.a                                      | --                                     | --  | --                       | 5,645,114,201   | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | 5,645,114,201             | (8,165,114,201)             | (2,520,000,000)           |
| Difference in Foreign Currency from Transactions of Non-controlling Interest | 31  | --                                     | --  | --                       | --  | --   | --                       | --                   | --                       | --                       | (59,344,483,455)  | --  | (59,344,483,455)         | (59,344,483,455)          | --                          | (59,344,483,455)          |
| Additional Paid-in Capital from Subsidiary Through Initial Public Offering   | 29.b                                      | --                                     | --  | --                       | --  | 1,105,101,368,218                                  | --                       | --                   | --                       | --                       | --  | --  | --                       | 1,105,101,368,218         | 221,631,120,271             | 1,326,732,488,489         |
| Acquisition of Subsidiary  |   | --                                     | --  | --                       | --  | --   | --                       | --                   | --                       | --                       | --  | --  | --                       | --                        | 27,204,521,057              | 27,204,521,057            |
| Total Comprehensive Income for the Year                                      |   | --                                     | --  | --                       | --  | --   | --                       | --                   | 1,228,230,222,876        | 1,228,230,222,876        | 551,913,534,644   | (468,256,797,333)   | 83,656,737,311           | 1,311,886,960,187         | 364,260,991,820             | 1,676,147,952,007         |
| <b>BALANCE AS OF DECEMBER 31, 2013</b>                                       | <b>2,307,768,961,900</b>                  | <b>4,043,613,274,615</b>               | <b>19,535,347,265</b>   | <b>4,063,148,621,880</b> | <b>(185,773,768,543)</b>                                    | <b>1,105,101,368,218</b>                           | <b>(216,524,113,794)</b> | <b>7,000,000,000</b> | <b>4,741,452,643,994</b> | <b>4,748,452,643,994</b> | <b>552,703,272,840</b>                                      | <b>425,998,078,104</b>  | <b>978,701,350,944</b>   | <b>12,800,875,064,599</b> | <b>1,376,698,240,626</b>    | <b>14,177,573,305,225</b> |

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

**PT LIPPO KARAWACI Tbk  
AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

|  | Notes | 2013<br>Rp                      | 2012<br>Rp                      |
|--|-------|---------------------------------|---------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |       |                                 |                                 |
| Collections from Customers   |       | 7,810,716,658,086               | 7,636,269,050,885               |
| Payments to Suppliers  |       | (8,002,801,477,895)             | (4,851,031,998,739)             |
| Payments to Employees  |       | (926,561,441,291)               | (684,851,925,524)               |
| Interest Received  |       | 93,717,333,882                  | 81,486,812,047                  |
| Tax Refund   |       | --                              | 89,887,095,477                  |
| Tax Payments   |       | (493,771,036,685)               | (530,369,714,608)               |
| Interest Payments  |       | (560,124,264,854)               | (452,595,838,532)               |
| Net Cash Provided by (Used in) Operating Activities                            |       | <u>(2,078,824,228,757)</u>      | <u>1,288,793,481,006</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |       |                                 |                                 |
| Property and Equipment   |       |                                 |                                 |
| Disposal   |       | 814,869,309,976                 | 467,759,850,643                 |
| Acquisition  |       | (1,288,374,464,375)             | (940,731,518,620)               |
| Receipt of Hotel and Hospital Performance Guarantee                            |       | 102,000,000,000                 | 61,000,000,000                  |
| Acquisition of Investment Property   |       | (22,911,940,070)                | (10,981,513,930)                |
| Receipt of Dividend  |       | 312,795,102,215                 | 270,941,921,449                 |
| Receipt of Promissory Notes  |       | --                              | 31,878,000,000                  |
| Purchases of Minority Interest in Subsidiary                                   |       | (2,520,000,000)                 | (77,210,477,500)                |
| Acquisition of Subsidiaries, Net of Cash Transferred                           |       | 321,102,682,275                 | --                              |
| Placement of Restricted Funds  |       | (116,166,840,489)               | (149,421,044,348)               |
| Acquisition of Subsidiaries, Net of Cash Acquired                              |       | (160,815,519,862)               | (501,676,697,309)               |
| Disposal of Share in Subsidiary  |       | 53,100,000,000                  | --                              |
| Placement of Investment and Advances   |       | (593,399,462,251)               | (856,005,945,917)               |
| Net Cash Used in Investing Activities  |       | <u>(580,321,132,581)</u>        | <u>(1,704,447,425,532)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |       |                                 |                                 |
| Proceeds from Bond Issuance  |       |                                 |                                 |
| Received   |       | 1,347,241,187,500               | 2,458,404,100,000               |
| Repayment  |       | (1,211,305,833,210)             | (218,228,248,000)               |
| Issuance Cost  |       | (23,419,111,967)                | (212,607,080,000)               |
| Proceeds from Capital Raising through Initial Public Offering of Subsidiary    |       |                                 |                                 |
| Received   |       | 1,404,900,000,000               | --                              |
| Stock Issuance Cost  |       | (78,466,324,884)                | --                              |
| Proceeds from Short-Term Bank Loan   |       | --                              | 45,000,000,000                  |
| Receipts from (Payment to) Related Parties                                     |       | 2,362,551,181                   | (2,616,065,994)                 |
| Dividend Distribution to:  |       |                                 |                                 |
| Owners of the Parent Company   | 30    | (270,000,000,000)               | (177,500,000,000)               |
| Non-Controlling Interest   |       | (18,205,678,140)                | (8,268,034,677)                 |
| Share Buyback  |       | --                              | (154,792,655,006)               |
| Bank Loans   |       |                                 |                                 |
| Receipts   |       | 73,583,300                      | --                              |
| Payments   |       | (11,218,103,421)                | (192,566,768,420)               |
| Net Cash Provided by Financing Activities                                      |       | <u>1,141,962,270,359</u>        | <u>1,536,825,247,903</u>        |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                    |       | <u>(1,517,183,090,979)</u>      | <u>1,121,171,303,377</u>        |
| Effect of Foreign Exchange on Cash and Cash Equivalents at the End of the Year |       | 34,877,464,021                  | 41,625,407,203                  |
| <b>BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS</b>                          |       | <u>3,337,357,407,919</u>        | <u>2,174,560,697,339</u>        |
| <b>ENDING BALANCE OF CASH AND CASH EQUIVALENTS</b>                             |       | <u><u>1,855,051,780,961</u></u> | <u><u>3,337,357,407,919</u></u> |

Additional information that does not affect the activity of cash flows are presented in Note 45.

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

## **PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Years Ended December 31, 2013 and 2012

(Expressed In Full Rupiah, Unless Otherwise Stated)

#### **1. General**

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##### **1.a. The Company's Establishment**

PT Lippo Karawaci Tbk ("the Company") was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by partial of the Deed of Annual General Meeting of Stockholders No. 34 dated July 19, 2013, made in the presence of Sriwi Bawana Nawaksari, a notary in Tangerang, in relation to the approval to change and rearrange article 12:2, 12:3 and 12:5, article 14:15, article 17:3, article 19:2 and article 21:9 of the Company's article of association. The deed was received by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.10.32306 dated August 1, 2013.

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

The Company started commercial operations in 1993. As of the reporting date, the Company's main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and subsidiaries ("the Group"), includes Sumatera, Java, Bali, Kalimantan, Sulawesi, and several subsidiaries domiciled in Singapura, Malaysia and Seychelles.

The Company is domiciled at Jl Boulevard Palem Raya No. 7, Menara Matahari 22nd - 23rd floor, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

##### **1.b. The Company's Initial Public Offering**

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed in the Indonesian Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in the Indonesian Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares which increased the Company's total outstanding shares to 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

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

For the Years Ended December 31, 2013 and 2012  
(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)**  
For the Years Ended December 31, 2013 and 2012  
(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 Start of Operation | Total Assets      |                   |
|---|-------------|---|-----------------------------|-------------------------------|----------------------------|-------------------|-------------------|
|   |             |   |                             |                               |                            | 2013 Rp           | 2012 Rp           |
| Lippo Karawaci Finance B. V.**  | Netherlands | Investment, Trading and Services            | 100.00%                     | --                            | 2006                       | --                | 24,139,930,280    |
| Theta Capital Pte Ltd*** and Subsidiary 2)  | Singapore   | Investment                                  | 100.00%                     | --                            | --                         | 8,100,341,636,642 | 5,131,103,634,489 |
| Theta Kemang Pte Ltd*** 2)  | Singapore   | Trading                                     | --                          | 100.00%                       | --                         | 8,099,977,832,535 | 5,142,769,728,169 |
| Sigma Capital Pte Ltd*** and Subsidiary   | Singapore   | Investment                                  | 100.00%                     | --                            | --                         | 5,756,864,822     | 1,167,460,989,035 |
| Sigma Trillium Pte Ltd ***  | Singapore   | Trading                                     | --                          | 100.00%                       | --                         | 4,871,621,023     | 1,676,835,835,980 |
| Lippo Karawaci Corporation Pte Ltd**** and Subsidiaries   | Singapore   | Investment, Trading and Services            | 100.00%                     | --                            | --                         | 327,604,173,495   | 214,762,805,681   |
| LK Reit Management Pte Ltd*** and Subsidiary  | Singapore   | Investment, Trading and Services            | --                          | 100.00%                       | --                         | 327,604,183,123   | 214,762,813,588   |
| Bowsprit Capital Corporation Ltd***   | Singapore   | Investment, Trading and Services            | --                          | 100.00%                       | 2006                       | 327,604,173,495   | 214,762,805,681   |
| Jesselton Investment Limited*** and Subsidiaries  | Malaysia    | Investment, Trading and Services            | 100.00%                     | --                            | --                         | 473,463,467,740   | 379,770,226,563   |
| Peninsula Investment Limited*** and Subsidiary  | Malaysia    | Investment, Trading and Services            | --                          | 100.00%                       | --                         | 473,463,479,929   | 379,770,236,233   |
| LMIRT Management Ltd ****   | Singapore   | Investment, Trading and Services            | --                          | 100.00%                       | 2007                       | 473,463,467,740   | 379,770,245,903   |
| PT Primakreasi Propertindo and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk) | Tangerang   | Real Estate                                 | 100.00%                     | --                            | --                         | 5,033,684,100,079 | 3,704,404,935,146 |
| PT Mujur Sakti Graha and Subsidiaries   | Tangerang   | Real Estate                                 | --                          | 100.00%                       | --                         | 22,342,846,137    | 64,996,414,745    |
| PT Surplus Multi Makmur and Subsidiary  | Jakarta     | Real Estate                                 | --                          | 90.00%                        | --                         | 19,104,249,992    | 16,900,491,244    |
| PT Arta Sarana  | Bandung     | Investment, Trading and Services            | --                          | 81.00%                        | --                         | 44,236,407,943    | 42,047,153,885    |
| PT PuriParagon  | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 583,842,942       | 583,842,942       |
| PT Menara Tirta Indah   | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 459,602,540,578   | 372,279,471,334   |
| PT Gempita Sinar Abadi  | Jakarta     | Development, Trading and Services           | --                          | 100.00%                       | --                         | 20,172,372,441    | 20,124,545,500    |
| PT Tatabangun Nusantara   | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 8,412,773,847     | 11,085,444,396    |
| PT Multiguna Selaras Maju   | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 4,036,434,386     | 4,677,686,000     |
| PT Lintas Lautan Cemerlang  | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 12,215,080,640    | 8,223,476,390     |
| PT Nilam Biru Bersinar (3.81% ownership in PT Siloam International Hospitals Tbk)                         | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 114,945,635,777   | 5,000,000,000     |
| PT Safira Prima Utama (8.65% ownership in PT Siloam International Hospitals Tbk)                          | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 125,740,248,877   | 10,000,000,000    |
| PT Kalimaya Pundi Bumi (8.65% ownership in PT Siloam International Hospitals Tbk)                         | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 125,764,474,163   | 10,001,281,000    |
| PT Gloria Mulia (4.32% ownership in PT Siloam International Hospitals Tbk)                                | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 116,253,296,282   | 5,001,281,000     |
| PT Graha Solusi Mandiri and Subsidiary  | Jakarta     | Services                                    | --                          | 100.00%                       | --                         | 116,253,296,282   | 128,464,109,878   |
| 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%                       | --                         | 869,375,000       | 593,000,000       |
| PT Cipta Mahakarya Gemilang   | Tangerang   | Development, Trading and Services           | --                          | 100.00%                       | --                         | 584,400,000       | 600,000,000       |
| PT Mandiri Cipta Gemilang and Subsidiaries  | Jakarta     | Real Estate                                 | --                          | 100.00%                       | 2003                       | 3,363,549,073,489 | 2,183,814,781,088 |
| PT Titian Semesta Raya  | Jakarta     | Development, Trading and Services           | --                          | 100.00%                       | --                         | 17,337,397,886    | 2,167,709,689     |
| PT Adijaya Pratama Mandiri  | Jakarta     | Development, Trading and Services           | --                          | 100.00%                       | --                         | 1,000,000,000     | 1,000,000,000     |
| PT Esatama Lestari Jaya   | Tangerang   | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 2,498,880,492     | 100,000,000       |

These consolidated financial statements are originally issued in Indonesian language

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

For the Years Ended December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

| Subsidiary   | Domicile  | Main Business  | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |                 |
|--|-----------|--|-----------------------------|-------------------------------|----------------------------|-----------------|-----------------|
|  |           |  |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp      |
| PT Bahtera Perkasa Makmur  | Manado    | Development, Trading, Printing and Services  | --                          | 100.00%                       | --                         | 143,584,829,329 | 100,000,000     |
| PT Gading Makmur Jaya  | Tangerang | Development, Trading, Printing and Services  | --                          | 100.00%                       | --                         | 30,017,757,025  | 100,000,000     |
| PT Bimasakti Jaya Abadi and Subsidiaries   | Jakarta   | Development, Trading, Printing and Services  | --                          | 100.00%                       | 2011                       | 227,721,466,739 | 58,642,282,909  |
| PT Kuta BeachParagon and Subsidiaries  | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 410,493,719,197 | 201,316,485,712 |
| PT Graha Buana Utama and Subsidiaries  | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 371,219,215,792 | 182,325,029,412 |
| PT Berkat Langgeng Jaya and Subsidiary   | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 371,186,037,792 | 182,288,501,412 |
| PT Pamor Paramita Utama  | Badung    | Development, Trading and Services  | --                          | 100.00%                       | 2013                       | 360,853,919,066 | 171,947,073,287 |
| PT Surya Megah Lestari and Subsidiaries  | Jakarta   | Development, Trading, Printing, Land Transport, Industry, Agriculture and Services | --                          | 100.00%                       | --                         | 3,997,387,808   | 1,000,000,000   |
| PT Gunung Halimun Elok and Subsidiaries  | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 110,465,283,369 | 100,000,000     |
| PT Danisa Indah Cipta and Subsidiary   | Tangerang | Development, Industry, Printing and Services                                       | --                          | 100.00%                       | --                         | 557,734,957     | 100,000,000     |
| PT Fajarindo Sinar Sakti   | Tangerang | Development, Industry, Printing and Services                                       | --                          | 100.00%                       | --                         | 119,683,093     | 100,000,000     |
| PT Jaya Makmur Bersama   | Badung    | Development, Trading and Services  | --                          | 100.00%                       | --                         | 4,109,795,193   | 4,067,376,191   |
| PT Gumarang Karya Sejati   | Manado    | Development, Trading, Printing and Services  | --                          | 100.00%                       | --                         | 1,997,855,429   | 100,000,000     |
| PT Grand Villa Persada (0.05% ownership in PT Gowa Makassar Tourism Development Tbk) | Tangerang | Real Estate  | --                          | 100.00%                       | --                         | 40,827,168,188  | 570,649,250     |
| PT Mega Proyek Pertiwi   | Tangerang | Real Estate  | --                          | 100.00%                       | --                         | 15,567,878,859  | 15,069,141,657  |
| PT Sinar Surya Timur   | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 2,000,001,000   | 600,000,000     |
| PT Gempita Cipta Bersama   | Semarang  | Development, Trading and Services  | --                          | 100.00%                       | --                         | 812,669,333     | 593,568,750     |
| PT Suryamas Khatulistiwa   | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 588,268,750     | 588,868,750     |
| PT Lautan Sinar Abadi and Subsidiaries   | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 279,137,840     | 100,000,000     |
| PT Usahatama Kreatif and Subsidiaries  | Tangerang | Development, Trading and Services  | --                          | 86.50%                        | --                         | 393,937,840     | 100,000,000     |
| PT Kreasi Tunas Bangsa and Subsidiary <sup>2)</sup>                                  | Tangerang | Development, Trading and Services  | --                          | 87.51%                        | --                         | 393,937,840     | 600,000,000     |
| PT Grahutama Asri Makmur <sup>2)</sup>   | Tangerang | Development, Trading and Services  | --                          | 87.51%                        | --                         | 848,937,840     | 600,000,000     |
| PT Karimata Putra Alam <sup>2)</sup>   | Tangerang | Development, Trading and Services  | --                          | 100.00%                       | --                         | 586,500,000     | 600,000,000     |
| PT Timor Eka Selaras   | Tangerang | Development, Trading, Printing and Services  | --                          | 100.00%                       | --                         | 5,130,932,671   | 100,000,000     |
| PT Sultana Semesta Prima   | Tangerang | Development, Trading, Printing and Services  | --                          | 100.00%                       | --                         | 20,076,023,874  | --              |



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**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
For the Years Ended December 31, 2013 and 2012  
(Expressed In Full Rupiah, Unless Otherwise Stated)

| Subsidiary                              | Domicile  | Main Business                               | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |            |
|---|-----------|---|-----------------------------|-------------------------------|----------------------------|-----------------|------------|
|   |           |   |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp |
| PT Wijayakusuma Sukses Maju             | Padang    | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 11,209,988,075  | --         |
| PT Andalan Utama Maju                   | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 100,000,000     | --         |
| PT Bumi Arum Sejahtera                  | Medan     | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 34,958,606,230  | --         |
| PT Cipta Semesta Prima                  | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 100,000,000     | --         |
| PT Mentari Panen Raya                   | Jakarta   | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 74,505,000      | --         |
| PT Satyagraha Dinamika Unggul           | Tangerang | Development, Trading, Printing and Services | --                          | 70.00%                        | --                         | 437,334,970,821 | --         |
| PT Jayadipta Utama Makmur               | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 74,505,000      | --         |
| PT Bumi Sindang Jaya                    | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 74,505,000      | --         |
| PT Cahaya Teratai Sakti <sup>1)</sup>   | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --         |
| PT Damarindo Perkasa <sup>1)</sup>      | Jambi     | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 2,124,520,443   | --         |
| PT Cipta Dunia Abadi <sup>1)</sup>      | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 586,779,840     | --         |
| PT Puri Istana Megah <sup>1)</sup>      | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Sekawan Dunia Dinamika <sup>1)</sup> | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Citra Dwi Anugrah <sup>1)</sup>      | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Pelangi Mutiara Timur <sup>1)</sup>  | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 572,533,202     | --         |
| PT Sari Karya Muda <sup>1)</sup>        | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Sinar Biru Artha <sup>1)</sup>       | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Tunggal Mekar Abadi <sup>1)</sup>    | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 585,000,000     | --         |
| PT Graha Dana Dinamika                  | Jakarta   | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 25,064,315,139  | --         |
| PT Mega Pratama Serasi                  | Depok     | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 32,100,000      | --         |
| PT Mulia Aditama Setia                  | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 32,100,000      | --         |
| PT Pradamas Graha Indah                 | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 74,550,000      | --         |

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| Subsidiary  | Domicile  | Main Business                               | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |             |
|---|-----------|---|-----------------------------|-------------------------------|----------------------------|-----------------|-------------|
|   |           |   |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp  |
| PT Mentari Adi Perkasa                                | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 1,000,000,000   | --          |
| PT Berdikari Jaya Abadi                               | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 74,505,000      | --          |
| PT Lumbang Mas Trijaya and Subsidiaries <sup>1)</sup> | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 455,317,710,250 | --          |
| PT Karyatama Buana Cemerlang and Subsidiaries         | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 395,286,397,453 | --          |
| PT Mapalus Mancacakti                                 | Tangerang | Development, Trading, Printing and Services | --                          | 70.00%                        | --                         | 334,999,846,577 | --          |
| PT Dwi Prabu Sakti <sup>1)</sup>                      | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 100,000,000     | --          |
| PT Sumber Pundi Sejahtera <sup>1)</sup>               | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Prabu Cipta Prima <sup>1)</sup>                    | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Multi Panen Utama                                  | Kupang    | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 98,350,000      | 100,000,000 |
| PT Pancuran Intan Makmur <sup>1)</sup>                | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Solusi Dunia Baru <sup>1)</sup>                    | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 100,000,000     | --          |
| PT Suar Lintas Samudra <sup>1)</sup>                  | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Berkat Samiguna Sukses <sup>1)</sup>               | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Global Lintas Multitama <sup>1)</sup>              | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Sarana Ciptakarya Utama <sup>1)</sup>              | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Mitra Samiguna Makmur <sup>1)</sup>                | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Cipta Mutiara Sukses <sup>1)</sup>                 | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Suar Mutiara Semesta <sup>1)</sup>                 | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Manyala Harapan <sup>1)</sup>                      | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Suar Lintas Benua <sup>1)</sup>                    | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Mulia Cipta Wibawa <sup>1)</sup>                   | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |
| PT Manunggal Bumi Sejahtera <sup>1)</sup>             | Tangerang | Development, Trading, Printing and Services | --                          | 100.00%                       | --                         | 600,000,000     | --          |

**PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
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| Subsidiary   | Domicile    | Main Business                     | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets      |                   |
|--|-------------|-----------------------------------|-----------------------------|-------------------------------|----------------------------|-------------------|-------------------|
|  |             |                                   |                             |                               |                            | 2013<br>Rp        | 2012<br>Rp        |
| PT Sentra Dwiemandiri and Subsidiaries (1.61% Ownership in PT Gowa Makassar Tourism Development Tbk)   | Jakarta     | Real Estate                       | 100.00%                     | --                            | --                         | 5,207,529,100,191 | 4,521,966,631,808 |
| PT Prudential Development  | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 566,439,123       | 568,556,692       |
| PT Sentra Reallindo Development (4.62% ownership in PT Lippo Cikarang Tbk)   | Jakarta     | Home Improvement                  | --                          | 100.00%                       | 2001                       | 142,641,942,235   | 168,493,089,133   |
| PT Dama Sarana Nusa Pratama and Subsidiary   | Tangerang   | Real Estate                       | --                          | 52.70%                        | 1997                       | 129,919,768,580   | 179,393,933,290   |
| PT Tata Mandiri Daerah Villa Permata   | Tangerang   | Town Management                   | --                          | 47.28%                        | 2001                       | 4,590,887,227     | 2,932,962,248     |
| PT Golden Pradamas and Subsidiaries  | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 651,508,440,961   | 322,019,653,699   |
| PT Mula Bangun Semesta and Subsidiaries  | Tangerang   | Real Estate                       | --                          | 100.00%                       | 2002                       | 605,210,333,673   | 340,563,015,154   |
| PT Villa Permata Cibodas and Subsidiaries  | Tangerang   | Real Estate                       | --                          | 100.00%                       | 1995                       | 171,971,702,499   | 150,620,906,458   |
| PT Puncak Resort International and Subsidiaries  | Cianjur     | Real Estate                       | --                          | 100.00%                       | 1994                       | 77,085,241,483    | 76,750,626,160    |
| PT Sentosa Seksama   | Cianjur     | Real Estate                       | --                          | 100.00%                       | 1994                       | 23,233,857,605    | 23,234,047,605    |
| PT Purimegah Swarga Buana  | Cianjur     | Real Estate                       | --                          | 100.00%                       | 1994                       | 8,778,198,567     | 8,778,388,567     |
| PT Adigraha Rancang Sempurna   | Cianjur     | Real Estate                       | --                          | 100.00%                       | 1994                       | 7,502,108,827     | 7,206,247,381     |
| PT Pesanggrahan Suripermata Agung  | Cianjur     | Real Estate                       | --                          | 100.00%                       | 1994                       | 1,974,379,891     | 1,974,569,891     |
| PT Dona Indo Prima   | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 50,000,000        | 50,000,000        |
| PT Sukmaprima Sejahtera  | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 50,000,000        | 50,000,000        |
| PT Muliasesntosa Dinamika (4.48% Ownership in PT Lippo Cikarang Tbk)   | Tangerang   | Real Estate                       | --                          | 100.00%                       | 1997                       | 392,329,353,368   | 474,902,070,190   |
| PT Sentra Asritama Realty Development and Subsidiaries   | Tangerang   | Installation and Water Treatment  | --                          | 100.00%                       | 1994                       | 138,817,114,471   | 124,980,295,200   |
| PT Tata Mandiri Daerah Lippo Karawaci  | Tangerang   | Town Management                   | --                          | 100.00%                       | 1999                       | 184,327,826,427   | 163,222,272,733   |
| PT Surya Makmur Alam Persada   | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 20,296,132,390    | 20,284,264,984    |
| PT Karya Bersama Jaya  | Jakarta     | Water Treatment Installation      | --                          | 100.00%                       | 2010                       | --                | 19,003,931,942    |
| PT Sentragraha Mandiri   | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 33,383,974,697    | 33,317,646,392    |
| PT Saptapersada Jagathusa  | Tangerang   | Bowling                           | --                          | 100.00%                       | 1998                       | 8,784,570,253     | 9,418,717,545     |
| PT Sejahtera Selaras   | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 13,135,186,134    | 13,107,563,451    |
| PT Bahtera Pratama Wirasakti   | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 16,320,965,360    | 15,733,573,862    |
| PT Sentra Office Realty  | Tangerang   | Building                          | --                          | 100.00%                       | 1998                       | 714,765,952       | 714,765,952       |
| PT Dinamika Intertrans   | Jakarta     | Transportation                    | --                          | 100.00%                       | 1994                       | 739,293,346       | 535,448,707       |
| PT Imperial Karawaci Golf  | Tangerang   | Golf                              | --                          | 100.00%                       | --                         | 472,167,000       | 473,633,000       |
| PT Agung Sepadan   | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 2,584,158,954     | 2,544,931,804     |
| PT Prudential Townhouse Development  | Jakarta     | Real Estate                       | --                          | 100.00%                       | --                         | 178,113,372       | 23,457,952        |
| PT Wahana Tatabangun Cemerlang Matahari  | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 11,842,708        | 14,424,708        |
| PT Wahana Tatabangun Cemerlang   | Tangerang   | Real Estate                       | --                          | 100.00%                       | --                         | 11,661,966        | 15,293,966        |
| PT Paragon City  | Jakarta     | Real Estate and Trading           | --                          | 100.00%                       | --                         | 15,711,019,723    | 7,156,351,316     |
| PT Padang Indah City   | Padang      | Trading, Development and Services | --                          | 100.00%                       | --                         | 17,343,497,562    | 2,000,000,000     |
| Bridgewater International Ltd***   | Seychelles  | Investment and Trading            | --                          | 100.00%                       | 2006                       | 4,152,292,715,296 | 3,435,522,448,584 |
| 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            |
| Indigo Fund Investment Fund Ltd***   | Cook Island | Investment                        | --                          | 100.00%                       | --                         | --                | 9,180             |
| Banksia Holdings Ltd***  | Cook Island | Trading                           | --                          | 100.00%                       | --                         | --                | 9,180             |
| PT Lippo Karawaci Infrastructure & Utilitas Division   | Tangerang   | Construction and Services         | --                          | 100.00%                       | --                         | 227,469,000       | 228,845,000       |
| Brightlink Capital Limited***  | Malaysia    | Investment, Trading and Services  | --                          | 100.00%                       | --                         | 90,457,722,026    | 71,763,571,416    |
| Evodia Strategic Investment Limited*** and Subsidiaries  | Malaysia    | Investment, Trading and Services  | --                          | 100.00%                       | --                         | 481,399,995,398   | 7,456,055,724     |
| Great Capital Pte Ltd** and Subsidiaries   | Singapore   | Investment, Trading and Services  | --                          | 100.00%                       | --                         | --                | 47,449,907        |
| Key Capital Pte Ltd**  | Singapore   | Investment, Trading and Services  | --                          | 100.00%                       | --                         | --                | 23,728,907        |
| PT Perisai Dunia Sejahtera**   | Tangerang   | Trading, Industry and Services    | --                          | 100.00%                       | --                         | --                | 600,000,000       |
| Globalink Investments Pte Ltd** and Subsidiary   | Singapore   | Investment, Trading and Services  | --                          | 100.00%                       | --                         | --                | 47,449,907        |
| Fortuna Capital Pte Ltd**  | Singapore   | Investment, Trading and Services  | --                          | 100.00%                       | --                         | --                | 23,728,907        |
| PT St Moritz Management  | Jakarta     | Development, Trading and Services | --                          | 100.00%                       | --                         | 3,651,764,705     | 1,540,629,016     |
| PT Kemang Village Management   | Jakarta     | Hotel                             | --                          | 100.00%                       | --                         | 3,651,764,705     | 19,265,156,516    |
| PT TMD Depok Manajemen <sup>1)</sup>   | Jakarta     | Services                          | --                          | 100.00%                       | --                         | 10,000,000,000    | --                |
| PT Wisma Jatim Propertindo and Subsidiaries (1.21% ownership in PT Gowa Makassar Tourism Development Tbk)                                    | Jakarta     | Services                          | 100.00%                     | --                            | --                         | 4,957,581,216,900 | 4,684,268,847,508 |
| 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       | 111,240,000       |
| PT KemangParagon Mall and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)   | Tangerang   | Development, Trading and Services | --                          | 100.00%                       | --                         | 2,104,029,712,761 | 1,628,485,997,429 |
| PT Wahana Usaha Makmur and Subsidiaries  | Jakarta     | Real Estate                       | --                          | 92.00%                        | --                         | 2,150,098,431,752 | 1,622,389,802,318 |
| PT Almaron Perkasa and Subsidiaries  | Jakarta     | Real Estate                       | --                          | 92.00%                        | 2005                       | 2,520,357,222,225 | 2,244,733,704,769 |
| PT Gelora Raya Semesta   | Tangerang   | Trading and Development           | --                          | 92.00%                        | 2013                       | 185,193,775,419   | 70,173,024,867    |

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| Subsidiary   | Domicile   | Main Business   | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |                 |
|--|------------|---|-----------------------------|-------------------------------|----------------------------|-----------------|-----------------|
|  |            |   |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp      |
| PT Prima Aman Sarana   | Jakarta    | Services  | --                          | 92.00%                        | --                         | 146,940,702,091 | 113,391,661,791 |
| PT Kemang Multi Sarana   | Jakarta    | Real Estate and Urban Development   | --                          | 92.00%                        | --                         | 90,872,368,437  | 65,982,074,527  |
| PT Lipposindo Abadi and Subsidiaries   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 241,353,388,378 | 238,257,418,801 |
| PT Kemuning Satiatama and Subsidiaries (42.20% ownership di PT Lippo Cikarang Tbk) | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 236,437,068,768 | 233,341,516,983 |
| PT Megachandra Karyaestari   | Jakarta    | Trading   | --                          | 100.00%                       | 1992*                      | 284,463,862     | 284,918,077     |
| PT Prudential Apartment Development  | Jakarta    | Services  | --                          | 100.00%                       | 1993*                      | 575,770,194     | 578,302,194     |
| PT Sentra Kharisma Indah   | Jakarta    | Services  | --                          | 80.00%                        | --                         | 2,178,993,119   | 2,180,455,119   |
| PT Carakatama Dirgantara and Subsidiary  | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 70,733,736,426  | 71,642,502,438  |
| PT Prudential Hotel Development  | Tangerang  | Trading and Services  | --                          | 100.00%                       | 1994*                      | 70,717,301,532  | 71,618,740,201  |
| PT Ariasindo Sejati and Subsidiaries   | Jakarta    | Trading and Services  | --                          | 95.00%                        | --                         | 201,966,025,990 | 210,465,190,780 |
| PT Unitech Prima Indah and Subsidiary  | Tangerang  | Real Estate   | --                          | 94.68%                        | 2004                       | 192,496,613,706 | 192,878,159,877 |
| PT Karya Cipta Pesona  | Medan      | Accommodation Services  | --                          | 94.68%                        | --                         | 86,042,143,051  | 93,972,831,145  |
| PT Metropolitan Leisure Corporation and Subsidiaries                               | Jakarta    | Trading and Services  | --                          | 100.00%                       | --                         | 39,880,425,766  | 82,355,966,437  |
| PT Kumiasindo Sejahtera  | Jakarta    | Trading and Services  | --                          | 100.00%                       | --                         | 137,400,565     | 1,351,279,831   |
| PT Graha Tata Cemerlang Makasar (0.34% ownership in PT Lippo Cikarang Tbk)         | Makassar   | Real Estate   | --                          | 100.00%                       | 2002                       | 37,654,229,179  | 76,259,524,463  |
| PT Guna Tata Carakatama  | Makassar   | Trading and Services  | --                          | 100.00%                       | 2002                       | 201,992,136     | 147,508,091     |
| PT Lippo Land Cahaya Indonesia   | Tangerang  | Services  | --                          | 100.00%                       | 2003                       | 2,469,715,518   | 6,139,563,019   |
| PT Karunia Persada Raya and Subsidiary   | Tangerang  | Trading   | --                          | 100.00%                       | --                         | 2,463,939,742   | 133,336,957,340 |
| PT Pendopo Niaga   | Malang     | Real Estate   | --                          | 100.00%                       | 2004                       | 43,278,529,038  | 133,336,957,340 |
| PT Larasati Anugerah   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 21,880,420      | 23,084,420      |
| PT Bathara Brahma Sakti  | Tangerang  | Trading and Services  | --                          | 100.00%                       | 1992*                      | 4,799,886,917   | 2,453,496,805   |
| PT Realty Limaribu   | Tangerang  | Services  | --                          | 100.00%                       | 1998*                      | 356,013,588     | 357,178,014     |
| PT Dwisindo Jaya (0,05% iwnership in PT Gowa Makassar Tourism Development Tbk)     | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 115,402,350     | 78,165,768      |
| PT Karunia Alam Damai and Subsidiary   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 186,725,120,251 | 240,726,750,898 |
| PT Jagatpertala Nusantara  | Depok      | Real Estate   | --                          | 100.00%                       | 2004                       | 187,037,114,716 | 240,726,750,898 |
| PT Mulia Mukti Persada Perkasa   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 2,353,000       | 3,385,000       |
| PT Kemang Village and Subsidiaries   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 265,201,711,328 | 138,541,987,393 |
| PT Menara Bhumimegah and Subsidiaries  | Jakarta    | Services  | --                          | 100.00%                       | 2005                       | 145,669,814,979 | 138,456,658,436 |
| PT Jaya Usaha Prima and Subsidiaries   | Jakarta    | Real Estate   | --                          | 80.00%                        | --                         | 84,996,480,991  | 72,356,029,946  |
| PT Persada Mandiri Abadi   | Jakarta    | Real Estate   | --                          | 80.00%                        | 2005                       | 84,993,509,841  | 77,784,100,616  |
| PT Adhi Utama Dinamika   | Jakarta    | Real Estate   | --                          | 92.00%                        | --                         | 84,381,070,289  | 72,418,405,997  |
| PT Menara Perkasa Megah and Subsidiaries   | Surabaya   | Real Estate and Urban Development   | --                          | 100.00%                       | 2005                       | 488,651,041,637 | 393,886,262,687 |
| PT Pelangi Cahaya Intan Makmur and Subsidiaries                                    | Surabaya   | Trading   | --                          | 85.00%                        | --                         | 398,825,863,392 | 396,523,461,581 |
| PT Surya Mitra Jaya and Subsidiary   | Sidoarjo   | Trading and Services  | --                          | 85.01%                        | 2005                       | 398,869,116,943 | 399,441,490,323 |
| PT Citra Harapan Baru  | Surabaya   | Accommodation   | --                          | 99.99%                        | --                         | 2,000,000,000   | 2,000,000,000   |
| PT Niaga Utama   | Jakarta    | Trading   | --                          | 100.00%                       | --                         | 102,974,418     | 107,403,418     |
| PT Mitra Kasih Karunia   | Jakarta    | Real Estate   | --                          | 100.00%                       | --                         | 1,887,217,700   | 1,887,217,700   |
| PT Kreasi Megatama Gemilang and Subsidiaries                                       | Tangerang  | Development, Agribusiness, Industry, Transportation, Trading and Services             | --                          | 100.00%                       | --                         | 617,888,194,976 | 439,446,762,299 |
| PT Lippo Malls Indonesia and Subsidiaries  | Tangerang  | Services  | --                          | 100.00%                       | 2002                       | 617,917,482,776 | 411,088,856,968 |
| PT Kreasi Gemilang Perkasa   | Tangerang  | Development, Trading and Services   | --                          | 100.00%                       | --                         | 4,353,054,147   | 3,571,949,585   |
| PT Kilau Intan Murni and Subsidiary  | Tangerang  | Development, Trading and Services   | --                          | 100.00%                       | --                         | 79,777,239,000  | 486,448,536,154 |
| PT Mulia Citra Abadi   | Yogyakarta | Development, Trading, Printing, Logistic Services, Industry, Agriculture and Services | --                          | 100.00%                       | 2012                       | 206,257,959,135 | 186,406,006,422 |
| PT Arwana Kreasi Gemilang *)   | Tangerang  | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Gayana Sumber Cipta *)  | Tangerang  | Development, Trading and Services   | --                          | 100.00%                       | --                         | 750,000,000     | 600,000,000     |
| PT Harapan Insan Mandiri *)  | Jakarta    | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Semboja Indah Cipta *)  | Tangerang  | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Putera Abadi Karya *)   | Bogor      | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |

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| Subsidiary  | Domicile              | Main Business   | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |                 |
|---|-----------------------|---|-----------------------------|-------------------------------|----------------------------|-----------------|-----------------|
|   |                       |   |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp      |
| PT Violet Pelangi Indah <sup>2)</sup>   | Tangerang             | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Buana Mediatama <sup>2)</sup>  | Tangerang             | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Nusindah Bukit Permai <sup>2)</sup>  | Tangerang             | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Lembayung Karya Nirwana <sup>2)</sup>  | Jakarta               | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Inspira Ide Cemerlang <sup>2)</sup>  | Tangerang             | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Irama Karya Megah <sup>2)</sup>  | Surabaya              | Development, Trading and Services   | --                          | 100.00%                       | --                         | 250,595,377,563 | 600,000,000     |
| PT Gaharu Alam Permai <sup>2)</sup>   | Tangerang             | Development, Trading and Services   | --                          | 100.00%                       | --                         | 600,000,000     | 600,000,000     |
| PT Saputra Karya (0.05% ownership in PT Gowa Makassar Tourism Development Tbk)                                | Surabaya              | Real Estate and Urban Development   | --                          | 100.00%                       | --                         | 77,237,650,725  | 71,650,289,846  |
| PT Grand Provita and Subsidiary   | Tangerang             | Real Estate   | --                          | 100.00%                       | --                         | 473,756,900     | 473,756,900     |
| PT Grand Prima Propertindo  | Tangerang             | Real Estate   | --                          | 65.00%                        | --                         | 7,948,100       | 7,948,100       |
| PT Pacific Sejahtera  | Tangerang             | Real Estate   | --                          | 100.00%                       | --                         | 16,667,400      | 17,317,400      |
| PT Satriamandiri Idola Utama  | Jakarta               | Real Estate   | --                          | 100.00%                       | --                         | 54,436,407,275  | 36,233,768,493  |
| PT Mahakaya Abadi   | Tangerang             | Real Estate   | --                          | 100.00%                       | --                         | 479,273,100     | 479,923,100     |
| PT Persada Mandiri Dunia Niaga and Subsidiaries (0.05% ownership in PT Gowa Makassar Tourism Development Tbk) | Jakarta               | Real Estate   | --                          | 100.00%                       | --                         | 100,011,882,484 | 243,557,129,526 |
| 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%                       | --                         | 203,854,041,638 | 200,575,909,084 |
| PT Menara Megah Tunggal and Subsidiary  | Jakarta               | Real Estate   | --                          | 100.00%                       | --                         | 203,854,041,638 | 194,259,065,395 |
| PT Trias Mitra Investama  | Binjai                | Real Estate   | --                          | 100.00%                       | 2005                       | 210,001,460,937 | 207,246,171,955 |
| PT Permata Agung Propertindo  | Jakarta               | Real Estate   | --                          | 100.00%                       | --                         | 1,181,225,795   | 522,480,130     |
| PT Kencana Mitra Lestari  | Jakarta               | Development, Transportation, Trading and Services                                   | --                          | 100.00%                       | --                         | 577,800,000     | 577,800,000     |
| PT Direct Power and Subsidiaries  | Bogor                 | Trading, Real Estate, Industry, Printing, Agribusiness, Transportation and Services | --                          | 100.00%                       | 2007                       | 126,909,119,505 | 121,272,049,323 |
| PT Mitra Mulia Kreasi and Subsidiary  | Jakarta               | Development, Industry, Mining, Agribusiness, Transportation, Trading and Services   | --                          | 80.00%                        | --                         | 45,299,541,728  | 45,281,364,297  |
| PT Bellanova Country Mall   | Bogor                 | Development, Transportation, Trading and Services                                   | --                          | 80.00%                        | 2005                       | 45,209,611,729  | 45,190,712,298  |
| PT Sarana Global Multindo and Subsidiaries  | Jakarta               | Development, Transportation, Trading and Services                                   | --                          | 100.00%                       | --                         | 485,684,444,002 | 625,778,842,266 |
| PT Guna Sejahtera Karya and Subsidiaries  | Jakarta               | Development, Industry, Agribusiness, Park, Trading and Services                     | --                          | 100.00%                       | --                         | 465,129,613,820 | 625,722,386,092 |
| PT Citra Sentosa Raya and Subsidiaries  | Jakarta               | Trading, Real Estate, Industry, Agribusiness, Transportation and Services           | --                          | 100.00%                       | --                         | 527,058,699,489 | 626,105,058,716 |
| PT Gading Nusa Utama  | Jakarta               | Trading, Development, Industry, Park, Agribusiness and Services                     | --                          | 100.00%                       | --                         | 27,270,776,577  | 27,270,091,977  |
| Rosenet Limited**** and Subsidiary  | British Virgin Island | Investment  | --                          | 100.00%                       | --                         | 525,560,105,440 | 624,616,103,652 |
| Sea Pejaten Pte. Ltd****  | Singapore             | Investment  | --                          | 100.00%                       | --                         | 525,560,105,440 | 624,616,103,652 |
| Continental Investment Limited****  | Malaysia              | Investment, Trading and Services  | --                          | 100.00%                       | --                         | 24,193,711      | 19,974,968      |

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| Subsidiary   | Domicile  | Main Business                                     | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets      |                   |
|--|-----------|---|-----------------------------|-------------------------------|----------------------------|-------------------|-------------------|
|  |           |   |                             |                               |                            | 2013<br>Rp        | 2012<br>Rp        |
| PT Sandiego Hills Memorial Park and Subsidiary         | Karawang  | Trading, Development, Transportation and Services | --                          | 100.00%                       | 2006                       | 351,650,829,216   | 347,994,959,160   |
| PT Pengelola Memorial Park                             | Karawang  | Trading and Services                              | --                          | 100.00%                       | 2010                       | 59,377,813,538    | 39,026,157,221    |
| PT CB Commercial                                       | Tangerang | Development, Trading and Services                 | --                          | 100.00%                       | --                         | 583,794,161       | 584,826,161       |
| PT Kemilau Karyaapta Persada                           | Tangerang | Development, Trading and Services                 | --                          | 100.00%                       | --                         | 2,464,055,000     | 2,465,087,000     |
| PT Bumi Indah Pertiwi                                  | Tangerang | Development, Trading and Public Services          | --                          | 100.00%                       | --                         | 2,216,817,102     | 2,216,817,102     |
| PT Galang Karya Usaha                                  | Tangerang | Development, Trading and Services                 | --                          | 100.00%                       | --                         | 100,000,000       | 100,000,000       |
| PT Alona Griya Utama                                   | Tangerang | Development, Trading, Printing and Services       | --                          | 100.00%                       | --                         | 100,000,000       | --                |
| PT Kreasi Ciptaprima Gemilang                          | Tangerang | Development, Trading, Printing and Services       | --                          | 100.00%                       | --                         | 100,000,000       | --                |
| PT Manikam Mutu Prima                                  | Tangerang | Development, Trading, Printing and Services       | --                          | 100.00%                       | --                         | 100,000,000       | --                |
| PT Suporta Developa Jaya                               | Tangerang | Development, Trading, Printing and Services       | --                          | 100.00%                       | --                         | 99,250,000        | --                |
| PT Lippo Cikarang Tbk and Subsidiaries                 | Bekasi    | Real Estate                                       | --                          | 54.37%                        | 1989                       | 3,854,166,345,344 | 2,832,000,551,101 |
| PT Great Jakarta Inti Development and Subsidiary       | Bekasi    | Town Management and Real Estate                   | --                          | 54.37%                        | 1992                       | 160,134,706,695   | 147,991,400,925   |
| PT Menara Inti Development                             | Bekasi    | Real Estate                                       | --                          | 54.37%                        | 2012                       | 17,194,774,785    | 17,277,325,261    |
| PT Tunas Pundi Bumi                                    | Bekasi    | Town Management                                   | --                          | 54.37%                        | 2010                       | 49,149,564,954    | 58,060,919,181    |
| PT Erabaru Realindo                                    | Bekasi    | Real Estate                                       | --                          | 54.37%                        | --                         | 23,233,649,196    | 16,981,287,500    |
| PT Dian Citimarga                                      | Bekasi    | Transportation                                    | --                          | 54.37%                        | 1993                       | 391,859,371       | 211,101,778       |
| PT Kreasi Dunia Keluarga                               | Bekasi    | Recreational Park                                 | --                          | 54.37%                        | 1993                       | 8,623,542,996     | 7,551,994,083     |
| PT Chandra Mulia Adhidharma                            | Bekasi    | Property Management                               | --                          | 54.37%                        | 2011                       | 35,311,717,468    | 33,800,394,999    |
| PT Tirtasari Nimala                                    | Bekasi    | Water and Waste Treatment                         | --                          | 54.37%                        | 2011                       | 51,532,656,579    | 24,760,428,677    |
| PT Waska Sentana                                       | Bekasi    | Real Estate                                       | --                          | 54.37%                        | 2011                       | 314,382,012,670   | 52,574,213,003    |
| PT Swadaya Teknopolis                                  | Bekasi    | Real Estate                                       | --                          | 54.37%                        | 2009                       | 250,000,000       | 250,000,000       |
| PT Bekasi Mega Power                                   | Bekasi    | Power Plant                                       | --                          | 54.37%                        | 2009                       | 127,000,000       | 100,000,000       |
| PT Dunia Air Indah                                     | Bekasi    | Recreation Services                               | --                          | 54.37%                        | 2009                       | 3,432,732,840     | 3,432,732,840     |
| PT Cahaya Ina Permai and Subsidiaries                  | Bekasi    | Real Estate                                       | --                          | 54.37%                        | --                         | 434,884,740       | --                |
| PT Zeus Karya Prima *)                                 | Tangerang | Development, Trading, Printing, and Services      | --                          | 54.37%                        | --                         | 8,468,194,385     | --                |
| PT Manunggal Utama Makmur                              | Tangerang | Real Estate                                       | --                          | 54.37%                        | --                         | 15,194,704,877    | --                |
| PT Mahkota Sentosa Ekanusa                             | Bekasi    | Real Estate                                       | --                          | 54.37%                        | --                         | 190,846,815       | --                |
| PT Mega Kreasi Teknika                                 | Bekasi    | Building Construction                             | --                          | 54.37%                        | --                         | 202,653,752       | 100,000,000       |
| PT Astana Artha Mas                                    | Tangerang | Real Estate                                       | --                          | 54.37%                        | --                         | 66,158,812,500    | --                |
| PT Mega Kreasi Nusantara Teknologi                     | Bekasi    | Real Estate                                       | --                          | 54.37%                        | --                         | 3,000,000,000     | --                |
| PT Pondera Prima Sarana                                | Tangerang | Real Estate                                       | --                          | 54.37%                        | --                         | 125,000,000       | --                |
| PT Telaga Banyu Murni and Subsidiary                   | Tangerang | Real Estate                                       | --                          | 54.37%                        | --                         | 175,000,000       | --                |
| PT Karimata Alam Damai                                 | Tangerang | Real Estate                                       | --                          | 54.37%                        | --                         | 20,885,600,000    | --                |
| PT Megapratama Karya Persada and Subsidiaries          | Tangerang | Investment, Trading and Services                  | 100.00%                     | --                            | --                         | 4,205,570,228,813 | 1,945,420,492,482 |
| PT Siloam International Hospitals Tbk and Subsidiaries | Tangerang | Healthcare Service                                | --                          | 85.99%                        | 2010                       | 2,600,774,537,159 | 1,585,803,660,660 |
| PT Aritasindo Permaimesta                              | Jakarta   | Healthcare Service                                | --                          | 85.99%                        | --                         | 65,883,437        | 321,957,363       |
| PT Perdana Kencana Mandiri                             | Jakarta   | Development, Trading, Industry and Services       | --                          | 85.99%                        | --                         | 139,940,484       | 139,940,484       |
| PT Multiselaras Anugerah                               | Tangerang | Development, Trading and Services                 | --                          | 85.99%                        | --                         | 118,439,411       | 118,439,411       |
| PT Nusa Medika Perkasa                                 | Jakarta   | Healthcare Service                                | --                          | 63.25%                        | --                         | 898,583,214       | 880,961,690       |
| PT Siloam Graha Utama and Subsidiary                   | Jakarta   | Development, Transportation, Trading and Services | --                          | 85.99%                        | --                         | 170,926,169,055   | 174,600,329,936   |
| PT East Jakarta Medika                                 | Bekasi    | Healthcare Service                                | --                          | 74.62%                        | 2002                       | 170,919,068,042   | 174,600,329,936   |
| PT Guchi Kencana Emas and Subsidiary                   | Jakarta   | Development and Services                          | --                          | 85.96%                        | --                         | 103,536,422,739   | 110,183,689,336   |
| PT Golden First Atlanta                                | Jambi     | Healthcare Service                                | --                          | 71.37%                        | 2008                       | 103,525,497,989   | 108,824,482,220   |



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| Subsidiary  | Domicile       | Main Business                               | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |                 |
|---|----------------|---|-----------------------------|-------------------------------|----------------------------|-----------------|-----------------|
|   |                |   |                             |                               |                            | 2013 Rp         | 2012 Rp         |
| PT Prawira Tata Semesta and Subsidiary                  | Jakarta        | Development and Services                    | --                          | 85.99%                        | --                         | 220,387,041,953 | 190,424,949,939 |
| PT Balikpapan Damai Husada                              | Balikpapan     | Healthcare Service                          | --                          | 68.45%                        | 2007                       | 183,152,322,686 | 153,184,763,268 |
| PT Siloam Emergency Services                            | Tangerang      | Healthcare Service                          | --                          | 85.99%                        | --                         | 1,391,968,353   | 1,000,000,000   |
| PT Medika Harapan Cemerlang Indonesia                   | Tangerang      | Trading, Industry and Services              | --                          | 85.99%                        | 2013                       | 2,969,022,018   | 600,000,000     |
| PT Pancawama Semesta and Subsidiary                     | Tangerang      | Trading, Industry and Services              | --                          | 85.99%                        | --                         | 70,275,326,965  | 68,339,862,485  |
| PT Diagram Healthcare Indonesia                         | Depok          | Healthcare Service                          | --                          | 68.79%                        | 2006                       | 39,716,721,868  | 44,450,915,455  |
| PT Adamanisa Karya Sejahtera                            | Jakarta        | Trading, Industry and Services              | --                          | 85.99%                        | --                         | 1,000,000,000   | 1,000,000,000   |
| PT Brenada Karya Bangsa <sup>2)</sup>                   | Tangerang      | Trading, Industry and Services              | --                          | 85.99%                        | --                         | 600,000,000     | 600,000,000     |
| PT Hamoni Selaras Indah <sup>2)</sup>                   | Tangerang      | Trading, Industry and Services              | --                          | 85.99%                        | --                         | 600,000,000     | 600,000,000     |
| PT Kusuma Primadana and Subsidiaries                    | Tangerang      | Trading, Industry and Services              | --                          | 85.99%                        | --                         | 102,376,903,302 | 85,235,136,940  |
| PT Adijaya Buana Sakti and Subsidiaries                 | Tangerang      | Trading, Industry and Services              | --                          | 68.79%                        | --                         | 102,368,878,302 | 15,496,627,911  |
| PT Siloam Sumsel Kemitraan and Subsidiary               | Tangerang      | Trading, Industry and Services              | --                          | 48.15%                        | --                         | 7,997,550,337   | 16,000,000,000  |
| PT RS Siloam Hospital Sumsel                            | Palembang      | Healthcare Services                         | --                          | 70.85%                        | 2012                       | 102,356,656,020 | 101,823,764,995 |
| PT Optimum Karya Persada                                | Jakarta        | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 1,000,000,000   | 1,000,000,000   |
| PT Rosela Indah Cipta <sup>2)</sup>                     | Jakarta        | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Sembada Karya Megah <sup>2)</sup>                    | Tangerang      | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Trijaya Makmur Bersama <sup>2)</sup>                 | Tangerang      | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Visindo Galaxi Jaya                                  | Tangerang      | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 5,000,000,000   | 5,000,000,000   |
| PT Tunggal Pilar Perkasa and Subsidiaries <sup>1)</sup> | Tangerang      | Development, Trading, Printing and Services | --                          | 85.97%                        | --                         | 406,737,757,798 | --              |
| PT Tirtasari Kencana                                    | Serang         | Development, Trading and Services           | --                          | 85.97%                        | --                         | 1,000,000,000   | 568,796,441     |
| PT Gramari Prima Nusa                                   | Medan          | Development, Trading, Printing and Services | --                          | 65.97%                        | --                         | 50,878,778,974  | --              |
| PT Krisolis Jaya Abadi <sup>2)</sup>                    | Kupang         | Healthcare Services                         | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Kusuma Bhakti Anugerah <sup>2)</sup>                 | Tangerang      | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 7,000,000,000   | 7,000,000,000   |
| PT Agung Cipta Raya                                     | Tangerang      | Healthcare Services                         | --                          | 85.97%                        | --                         | 1,000,000,000   | 1,000,000,000   |
| PT Bina Cipta Semesta                                   | Padang         | Healthcare Services                         | --                          | 85.97%                        | --                         | 1,000,000,000   | 1,000,000,000   |
| PT Mega Buana Bhakti                                    | Pangkal Pinang | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 6,000,000,000   | 6,000,000,000   |
| PT Taruna Perkasa Megah <sup>2)</sup>                   | Yogyakarta     | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Tataka Bumi Karya <sup>2)</sup>                      | Bogor          | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Tataka Karya Indah <sup>2)</sup>                     | Bandung        | Trading, Industry and Services              | --                          | 85.97%                        | --                         | 600,000,000     | 600,000,000     |
| PT Siloam Medika Cemerlang <sup>1)</sup>                | Tangerang      | Trading, Industry and Services              | --                          | 89.49%                        | --                         | 600,000,000     | --              |
| PT Koridor Usaha Maju and Subsidiaries                  | Tangerang      | Development, Trading, Printing and Services | --                          | 85.99%                        | --                         | 354,600,057,124 | 100,000,000     |
| PT Medika Sarana Traliandia and Subsidiary              | Bali           | Development, Trading, Printing and Services | --                          | 68.79%                        | 2008                       | 203,638,402,814 | --              |

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|---|-----------|---|-----------------------------|-------------------------------|----------------------------|-------------------|-----------------|
|   |           |   |                             |                               |                            | 2013<br>Rp        | 2012<br>Rp      |
| PT Trisaka Raksa Waluya   | Tangerang | Special Healthcare Services and Services          | --                          | 68.79%                        | 2008                       | 142,522,915,190   | --              |
| PT Berlian Cahaya Indah   | Tangerang | Development, Trading, Printing and Services       | --                          | 85.99%                        | 2008                       | 600,000,000       | --              |
| PT Mahkota Buana Selaras <sup>1)</sup>  | Tangerang | Development, Trading, Printing and Services       | --                          | 85.99%                        | --                         | 600,000,000       | --              |
| PT Primakarya Dunia Sentosa   | Tangerang | Development, Trading and Services                 | --                          | 100.00%                       | --                         | 10,550,000        | 2,400,000,000   |
| PT Eramulia Pratamajaya and Subsidiaries  | Jakarta   | Healthcare Services                               | 99.99%                      | 0.01%                         | --                         | 1,109,729,536,202 | 411,276,174,086 |
| PT Siloam Karya Sejahtera   | Jakarta   | Trading and Services                              | --                          | 100.00%                       | --                         | 389,561,096,776   | 411,352,416,686 |
| PT Siloam Dinamika Perkasa  | Jakarta   | Trading, Development, Transportation and Services | --                          | 100.00%                       | --                         | 135,181,471,073   | 35,460,881,102  |
| PT Siloam Sarana Karya  | Jakarta   | Healthcare Services                               | --                          | 100.00%                       | 2005                       | 3,239,776,633     | 3,239,776,633   |
| PT Siloam Tata Prima  | Surabaya  | Development, Transportation, Trading and Services | --                          | 100.00%                       | --                         | 3,365,841,316     | 4,635,197,087   |
| PT Mahaduta Pumama  | Jakarta   | Development, Transportation, Trading and Services | --                          | 100.00%                       | --                         | 7,396,814,370     | 7,396,814,370   |
| PT Buana Mandiri Selaras  | Jakarta   | Development and Services                          | --                          | 100.00%                       | --                         | 570,947,396,533   | 179,561,924,007 |
| PT Serasi Adikarsa  | Jakarta   | Trading, Industry, Development and Mining         | 0.01%                       | 99.99%                        | --                         | 19,805,000        | 19,805,000      |
| PT Kalanusa Intan Cemerlang and Subsidiary  | Tangerang | Trading, Development, Printing and Services       | --                          | 100.00%                       | --                         | 100,000,000       | 100,000,000     |
| PT Garuda Asa Kencana   | Tangerang | Development, Trading and Services                 | --                          | 100.00%                       | --                         | 100,000,000       | 100,000,000     |
| 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           | 984,420         |
| PT Shimatama Graha  | Jakarta   | Restaurant, Bar, Catering, Etc                    | --                          | 100.00%                       | 1989                       | 5,841,821,996     | 5,907,311,936   |
| PT Aryaduta International Management and Subsidiaries   | Jakarta   | Hotel Management                                  | --                          | 100.00%                       | 1998                       | 13,376,094,582    | 11,094,632,111  |
| PT Aryaduta Surabaya Management   | Surabaya  | Services  | --                          | 100.00%                       | --                         | 588,906,447       | 589,587,563     |
| PT Aryaduta Medan Management  | Medan     | Services  | --                          | 100.00%                       | --                         | 588,878,000       | 589,385,500     |
| PT Aryaduta Karawaci Management   | Tangerang | Services  | --                          | 100.00%                       | --                         | 22,947,378,366    | 582,248,000     |
| PT Aryaduta Makassar Management   | Makassar  | Services  | --                          | 100.00%                       | --                         | 593,327,000       | 594,116,500     |
| PT Aryaduta Residences  | Jakarta   | Services  | --                          | 100.00%                       | --                         | 3,156,413,733     | 2,702,832,803   |
| PT Aryaduta Hotels & Resorts  | Jakarta   | Services  | --                          | 100.00%                       | --                         | 581,740,500       | 582,248,000     |
| PT Zodia Karya Indah  | Tangerang | Development, Trading, Printing and Service        | --                          | 100.00%                       | --                         | 100,000,000       | --              |
| PT Lippo Hotel Indonesia and Subsidiary <sup>1)</sup>   | Tangerang | Services  | 75.00%                      | 25.00%                        | --                         | 600,000,000       | --              |
| PT Aryaduta Kuta Bali <sup>1)</sup>   | Badung    | Tourism   | 0.00%                       | 100.00%                       | --                         | 600,000,000       | --              |
| PT Lippo Horeis Indonesia <sup>1)</sup>   | Tangerang | Development, Trading, adn Service                 | 75.00%                      | 25.00%                        | --                         | 600,000,000       | --              |
| PT Graha Jaya Pratama and Subsidiaries  | Tangerang | Real Estate                                       | 100.00%                     | --                            | --                         | 1,384,584,802,841 | 971,388,173,838 |
| 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   | --                          | 99.99%                        | --                         | 1,048,135,730     | 743,498,251     |
| PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)                       | Jakarta   | Trading   | --                          | 99.99%                        | --                         | 11,737,065,174    | 8,080,302,415   |
| PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)                        | Jakarta   | Trading   | --                          | 99.99%                        | --                         | 15,697,407,503    | 11,077,388,689  |
| PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)                       | Jakarta   | Trading   | --                          | 99.99%                        | --                         | 15,206,784,862    | 10,732,191,046  |
| PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)                        | Jakarta   | Trading   | --                          | 99.99%                        | --                         | 11,448,214,800    | 8,077,822,179   |
| PT Nuansa Indah Lestari and Subsidiaries  | Jakarta   | Trading   | --                          | 100.00%                       | --                         | 142,252,148,482   | 95,838,364,973  |
| PT Metropolitan Permaisemesta and Subsidiaries  | Jakarta   | Trading   | --                          | 89.74%                        | --                         | 142,233,500,582   | 95,343,074,073  |
| PT Makassar Permata Sulawesi and Subsidiaries (32.5% ownership in PT Gowa Makassar Tourism Development Tbk) | Jakarta   | Trading   | --                          | 88.66%                        | --                         | 138,073,158,204   | 108,056,074,695 |
| PT Gowa Makassar Tourism Development Tbk and Subsidiaries   | Makassar  | Real Estate                                       | 4.92%                       | 49.05%                        | 1997                       | 1,308,035,825,444 | 901,079,490,979 |

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| Subsidiary                            | Domicile  | Main Business                              | Direct Ownership Percentage | Indirect Ownership Percentage | Year of Start of Operation | Total Assets    |            |
|---------------------------------------|-----------|--|-----------------------------|-------------------------------|----------------------------|-----------------|------------|
|                                       |           |  |                             |                               |                            | 2013<br>Rp      | 2012<br>Rp |
| PT Kenanga Asri Elok and Subsidiaries | Tangerang | Development, Trading, Printing and Service | --                          | 53.97%                        | --                         | 485,307,450,648 | --         |
| PT Krisanta Esa Maju <sup>1)</sup>    | Tangerang | Development, Trading, Printing and Service | --                          | 57.29%                        | --                         | 100,000,000     | --         |
| PT Tribuana Jaya Raya                 | Tangerang | Development, Trading, Printing and Service | --                          | 57.29%                        | --                         | 485,094,272,640 | --         |
| PT Griya Eksotika Utama               | Tangerang | Development, Trading, Printing and Service | --                          | 57.29%                        | --                         | 100,000,000     | --         |
| PT Mulia Sarana Sakti                 | Makassar  | Development, Trading                       | --                          | 89.76%                        | --                         | 512,000,000     | --         |

\* *Liquidated*

\*\* *Transferred*

\*\*\* *Functional Currency is USD*

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

<sup>1)</sup> *Established in 2013*

<sup>2)</sup> *Established in 2012*

On March 26, 2012, PT Megapratama Karya Persada (MKP), a subsidiary, acquired all ownership in PT Pancawarna Semesta (PWS) (through direct ownership of 0.01% and 99.99% indirect ownership of PT Siloam International Hospitals Tbk (SIH), a subsidiary) with acquisition cost of Rp100,000,000. At the acquisition date, PWS has not yet started operation and therefore, recorded as an asset acquisition.

On April 24, 2012, PT Primakreasi Propertindo (PKP), a subsidiary, acquired all ownership in PT Timor Eka Selaras (TES) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Grand Villa Persada) with acquisition cost of Rp100,000,000. At the acquisition date, TES has not yet started operation and therefore, recorded as an asset acquisition.

Theta Capital Pte Ltd and Theta Kemang Pte Ltd were established on April 30, 2012 in Singapore.

On May 30, 2012, MKP, a subsidiary, acquired all ownership in PT Bina Cipta Semesta (BCS) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp1,000,000,000. At the acquisition date, BCS has not yet started operation and therefore, recorded as an asset acquisition.

On May 30, 2012, MKP, a subsidiary, acquired all ownership in PT Kusuma Bakti Anugerah (KBA) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp7,000,000,000. At the acquisition date, KBA has not yet started operation and therefore, recorded as an asset acquisition.

On May 30, 2012, MKP, a subsidiary, acquired all ownership in PT Mega Buana Bhakti (MBB) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp6,000,000,000. At the acquisition date, MBB has not yet started operation and therefore, recorded as an asset acquisition.

On May 31, 2012, MKP, a subsidiary, acquired all of the ownership in PT Visindo Galaxi Jaya (VGJ) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp5,000,000,000. At the acquisition date, VGJ has not yet started operation and therefore, recorded as an asset acquisition.

As of May 31, 2012, PWS acquired 80% ownership in PT Diagram Healthcare Indonesia (DHI), with a transaction value of Rp58,752,000,000. This transaction is a business combination (see Note 44), DHI has been operating commercially since 2006.

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On May 31, 2012, MKP, a subsidiary, acquired all of the ownership in PT Agung Cipta Raya (ACR) (through direct ownership of 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp1,000,000,000. At the acquisition date, ACR has not yet started operation and therefore, recorded as an asset acquisition.

On June 4, 2012, MKP, a subsidiary, acquired all ownership in PT Optimum Karya Persada (OKP) (through direct ownership of 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp1,000,000,000. At the acquisition date, OKP has not yet started operation and therefore, recorded as an asset acquisition.

On June 4, 2012, MKP, a subsidiary, acquired all ownership in PT Tirtasari Kencana (TK) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp600,000,000. At the acquisition date, TK has not yet started operation and therefore, recorded as an asset acquisition.

On June 21, 2012, MKP, a subsidiary, acquired all of the ownership in PT Kusuma Primadana (KP) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp100,000,000. KP has a 80% stake in PT Adijaya Buana Sakti (ABS). At the acquisition date, KP has not yet started operation and therefore, recorded as an asset acquisition.

On June 29, 2012, MKP, a subsidiary, acquired all of the ownership in PT Adamanisa Karya Sejahtera (AKS) (through direct ownership 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp1,000,000,000. At the acquisition date, AKS has not yet started operation and therefore, recorded as an asset acquisition.

On July 12, 2012, PKP, a subsidiary, acquired all ownership in PT Adijaya Pratama Mandiri (APM) (through direct ownership 25% and 75% indirect ownership of PT Mandiri Cipta Gemilang (MCG)) with acquisition cost of Rp1,000,000,000. At the acquisition date, APM has not yet started operation and therefore, recorded as an asset acquisition.

On July 12, 2012, PT Lippo Malls Indonesia (LMI) and PT Kreasi Megatama Gemilang (KMG), both subsidiaries, acquired respectively, 75% and 25% ownership in PT Kilau Intan Murni (KIM) with acquisition cost of Rp100,000,000. At the acquisition date, KIM has not yet started operation and therefore, recorded as an asset acquisition.

On July 19, 2012, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired all of the ownership in PT Galang Karya Usaha (GKU) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Maharama Sakti (MS)) with the acquisition cost of Rp100,000,000. GKU has not yet started operation and therefore, recorded as an asset acquisition.

On August 14, 2012, PT Persada Mandiri Dunia Niaga (PMDN) and WJP, both subsidiaries, acquired respectively, 75% and 25% ownership in PT Ekaputra Kencana Abadi (EKA) with acquisition cost of Rp20,000,000,000. EKA is the owner of 29.97% and 0.08% share in PT Menara Megah Tunggal and PT Trias Mitra Investama, both subsidiaries, respectively. This transaction is a business combination (see Note 44).

On August 27, 2012, PT Eramulia Pratamajaya (ERA), a subsidiary, acquired all ownership in PT Kalanusa Intan Cemerlang (KIC) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Serasi Adikarsa) with acquisition cost of Rp100,000,000. At the acquisition date, KIC has not yet started operation and therefore, recorded as an asset acquisition.

On August 28, 2012, ERA, a subsidiary, acquired all ownership in PT Garuda Asa Kencana (GAK) (through direct ownership of 40% and 60% indirect ownership of PT Kalanusa Intan Cemerlang) with acquisition cost of Rp100,000,000. At the acquisition date, GAK has not yet started operation and therefore, recorded as an asset acquisition.

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On September 11, 2012, PKP, a subsidiary, acquired all ownership PT Lautan Sinar Abadi (LSA) (through direct ownership of 99.99% and 0.01% indirect ownership of GVP) with acquisition cost of Rp100,000,000. LSA is the owner of 86.5% stake in PT Usahatama Kreatif. At the acquisition date, LSA has not yet started operation and therefore, recorded as an asset acquisition.

On September 21, 2012, the entire ownership in PT Bayutama Sukses, a subsidiary, was transferred at a cost of Rp600,000,000. Upon transfer, no gain (loss) on disposal of investments was recognized and the subsidiary transferred its major assets of Rp600,000,000.

On September 21, 2012, LMI, a subsidiary, acquired all ownership in PT Gunung Halimun Elok (GHE) (through 75% direct ownership and 25% indirect ownership of KIM) with acquisition cost of Rp100,000,000. At the acquisition date, GHE has not yet started operation and therefore, recorded as an asset acquisition. Then the ownership of LIM and KIM in GHE has been transferred to MCG and PKP amounted to 75% and 25% of ownership, respectively, on October 8, 2012.

On October 8, 2012, PKP, a subsidiary, acquired all ownership in PT Esatama Lestari Jaya (ELJ) (through 25% direct ownership and 75% indirect ownership of MCG) with acquisition cost of Rp100,000,000. At the acquisition date, ELJ has not yet started operation and therefore, recorded as an asset acquisition.

On October 9, 2012, GHE and MCG, both subsidiaries acquired 75% and 25% ownership in PT Koridor Usaha Maju (KUM) with acquisition cost of Rp75,000,000 and Rp25,000,000, respectively. At the acquisition date, KUM has not yet started operation and therefore, recorded as an asset acquisition. Then the ownership of GHE and MCG in KUM has been transferred to TPP and MBS amounted to 75% and 25% of ownership, respectively, on November 26, 2013.

On October 9, 2012, GHE and MCG, both subsidiaries acquired 75% and 25% ownership in PT Multi Panen Utama (MPU) with acquisition cost of Rp75,000,000 and Rp25,000,000, respectively. At the acquisition date, MPU has not yet started operation and therefore, recorded as an asset acquisition.

On October 15, 2012, MKP, a subsidiary, acquired all ownership in PT Danisa Indah Cipta (DIC) (through 0.01% direct ownership and 99.99% indirect ownership of SIH) with acquisition cost of Rp100,000,000. At the acquisition date, DIC has not yet started operation and therefore, recorded as an asset acquisition. Subsequently, the ownership of SIH and MKP in DIC has been transferred to MCG and PKP totaling to 75% and 25% of ownership, respectively, on November 8, 2012.

On October 17, 2012, MCG and PKP, both subsidiaries acquired 75% and 25% ownership in PT Gumarang Karya Sejati (GKS) with acquisition cost of Rp75,000,000 and Rp25,000,000, respectively. At the acquisition date, GKS has not yet started operation and therefore, recorded as an asset acquisition.

On October 25, 2012, PKP, a subsidiary, acquired all ownership in PT Bahtera Perkasa Makmur (BPM) (through 25% direct ownership and 75% indirect ownership of MCG) with acquisition cost of Rp100,000,000. At the acquisition date, BPM has not yet started operation and therefore, recorded as an asset acquisition.

On November 8, 2012, DIC and PKP, both subsidiaries acquired 70% and 30% ownership in PT Fajarindo Sinar Sakti (FSS) with acquisition cost of Rp70,000,000 and Rp30,000,000, respectively. At the acquisition date, FSS has not yet started operation and therefore, recorded as an asset acquisition.

On November 16, 2012, PKP, a subsidiary, acquired all ownership in PT Gading Makmur Jaya (GMJ) (through 0.01% direct ownership and 99.99% indirect ownership of MCG) with acquisition cost of Rp100,000,000. At the acquisition date, GMJ has not yet started operation and therefore, recorded as an asset acquisition.

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On December 20, 2012, LMI, a subsidiary, acquired all ownership in PT Mulia Citra Abadi (MCA) (through 75% direct ownership and 25% indirect ownership of KIM) with acquisition cost of Rp300,000,000,000. This transaction is a business combination (see Note 44).

On December 20, 2012, PKP, a subsidiary, acquired all ownership in PT Bimasakti Jaya Abadi (BJA) (through 25% direct ownership and 75% indirect ownership of MCG), with acquisition cost of Rp125,000,000,000. This transaction is a business combination (see Note 44).

On December 20, 2012, PKP, a subsidiary, acquired all ownership in PT Surya Megah Lestari (SML) (through 75% direct ownership and 25% indirect ownership of MCG), with acquisition cost of Rp10,000,000,000. This transaction is a business combination (see Note 44).

On December 20, 2012 the entire ownership of Sea Pejaten Pte Ltd and PT Gading Nusa Utama in PT Panca Permata Pejaten has been transferred in cash at a value of Rp731,364,917,779. Upon transfer, this subsidiary recorded Rp341,410,567,126 gain on disposal of investments and transferred cash and bank, other assets and liabilities amounting to Rp9,828,189,726, Rp242,962,165,659 and Rp44,547,239,532, respectively.

On January 28, 2013, PKP, a subsidiary, acquired all ownership in PT Graha Dana Dinamika (GDD) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp60,000,000. At the acquisition date, GDD has not yet started operation and therefore, recorded as an asset acquisition.

On January 28, 2013, PKP, a subsidiary, acquired all ownership in PT Mulia Aditama Setia (MAS) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, MAS has not yet started operation and therefore, recorded as an asset acquisition.

On January 28, 2013, PKP, a subsidiary, acquired all ownership in PT Mega Pratama Serasi (MPS) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp60,000,000. At the acquisition date, MPS has not yet started operation and therefore, recorded as an asset acquisition.

On February 15, 2013, PT Sentra Dwimandiri, PT Wisma Jatim Propertindo, PT Bathara Brahma Sakti, PT Kreasi Megatama Gemilang, PT Dwisindo Jaya, PT Saputra Karya, PT Grand Provita, PT Kemang Paragon Mall, PT Grand Villa Persada, PT Maharama Sakti and PT Primakreasi Propertindo, all subsidiaries, purchase non controlling shares of PT Gowa Makassar Tourism Development Tbk, a subsidiary, amounted to 3,35% with acquisition cost of Rp2.584.000.000. As a result, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp5.645.114.201.

On February 21, 2013, PT Abadi Jaya Sakti (AJS), a subsidiary, acquired all ownership in PT Zodia Karya Indah (ZKI) (through 75% direct ownership and 25% indirect ownership of PT Tigamitra Ekamulia), with acquisition cost of Rp100,000,000. At the acquisition date, ZKI has not yet started operation and therefore, recorded as an asset acquisition.

On March 6, 2013, PKP, a subsidiary, acquired all ownership in PT Pradamas Graha Indah (PGI) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, PGI has not yet started operation and therefore, recorded as an asset acquisition.



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On March 19, 2013 the entire ownership in Lippo Karawaci Finance B. V., a subsidiary, has been transferred at a value EUR 5,000 (equivalent Rp181,440,000), in cash. Upon this transfer, the Company recorded Rp1,179,564,312 gain on disposal of investment and the subsidiary transferred cash and bank, other assets and liabilities amounting to Rp1,355,465,890, Rp185,370,484 and Rp559,225,317, respectively.

On March 23, 2013, PT Lippo Cikarang Tbk, a subsidiary, acquired all ownership in PT Cahaya Ina Permai (CIP) (through 75% direct ownership and 25% indirect ownership of PT Great Jakarta Inti Development (GJID)), with acquisition cost of Rp15,000,000. At the acquisition date, CIP has not yet started operation and therefore, recorded as an asset acquisition.

On March 23, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, acquired all ownership in PT Mahkota Sentosa Ekanusa (MSE) (through 75% direct ownership and 25% indirect ownership of PT Great Jakarta Inti Development), with acquisition cost of Rp20,000,000. At the acquisition date, MSE has not yet started operation and therefore, recorded as an asset acquisition.

On March 26, 2013, all ownership in Great Capital Pte Ltd (GC), a subsidiary, has been transferred at a value of SGD 93,100,000 (equivalent to Rp722,167,700,000) of which USD 43,100,000 (equivalent to Rp 334,326,700,000) in cash and USD 50,000,000 (equivalent to Rp387,850,000,000) in units of First REIT. GC is the owner of 100% shares at Key Capital Pte Ltd and PT Perisai Dunia Sejahtera, respectively. On the transfer, the entity recorded a gain on disposal of investment amounting to Rp 22,349,514,483 and it transferred property and equipment, cash and bank, other assets and liabilities amounted to Rp700,000,000,000, Rp1,807,874,373, Rp13,850,000 and Rp705,584,877,272, respectively.

On April 12, 2013, PKP, a subsidiary, acquired all ownership in PT Sultana Semesta Prima (SSP) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SSP has not yet started operation and therefore, recorded as an asset acquisition.

On April 15, 2013, PT Nuansa Indah Lestari, a subsidiary, acquired all ownership in PT Mulia Sarana Sakti (MSS) (through 0.01% direct ownership and 99.99% indirect ownership of PT Metropolitan Permai Semesta), with acquisition cost of Rp512,000,000. At the acquisition date, MSS has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, GMTD, a subsidiary, acquired all ownership Kenanga Elok Asri (KEA) (through 99.99% direct ownership and 0.01% indirect ownership of PT Fajar Usaha Semesta (FUS)), with acquisition cost of Rp100,000,000. At the acquisition date, KEA has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Alona Griya Utama (AGU) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, AGU has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, PKP, a subsidiary, acquired all ownership in PT Bumi Aurum Sejahtera (BAS) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BAS has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Cipta Semesta Prima (CSP) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, CSP has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Kreasi Ciptaprima Gemilang (KCG) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, KCG has not yet started operation and therefore, recorded as an asset acquisition.

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On April 18, 2013, GJP, a subsidiary, acquired all ownership in PT Griya Eksotika Utama (GEU) (through 99.99% indirect ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) and 0.01% indirect ownership of PT Fajar Usaha Semesta), with acquisition cost of Rp100,000,000. At the acquisition date, GEU has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Manikam Mutu Prima (MMP) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, MMP has not yet started operation and therefore, recorded as an asset acquisition.

On April 18, 2013, WJP, a subsidiary, acquired all ownership in PT Suporta Developa Jaya (SDJ) (through 75% direct ownership and 25% indirect ownership of MS), with acquisition cost of Rp100,000,000. At the acquisition date, SDJ has not yet started operation and therefore, recorded as an asset acquisition.

On April 29, 2013, PKP, a subsidiary, acquired all ownership in PT Satyagraha Dinamika Unggul (SDU) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SDU has not yet started operation and therefore, recorded as an asset acquisition.

On May 6, 2013, PKP, a subsidiary, acquired all ownership in PT Tribuana Jaya Raya (TJR) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, TJR has not yet started operation and therefore, recorded as an asset acquisition. On June 12, 2013, ownership of PKP was transferred to PT Graha Jaya Pratama (GJP) through 25% direct ownership and 75% indirect ownership of PT Kenanga Elok Asri.

On May 21, 2013, PKP, a subsidiary, acquired all ownership in PT Jayadipta Utama Makmur (JUM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, JUM has not yet started operation and therefore, recorded as an asset acquisition.

On May 21, 2013, PKP, a subsidiary, acquired all ownership in PT Andalan Utama Maju (AUM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, AUM has not yet started operation and therefore, recorded as an asset acquisition.

On May 24, 2013, PKP, a subsidiary, acquired all ownership in PT Mentari Adi Perkasa (MAP) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp1,000,000,000. At the acquisition date, MAP has not yet started operation and therefore, recorded as an asset acquisition.

On June 5, 2013, PKP, a subsidiary, acquired all ownership in PT Wijayakusuma Sukses Maju (WSM) (through 99.99% direct ownership and 0.01% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, WSM has not yet started operation and therefore, recorded as an asset acquisition.

On June 10, 2013, PKP, a subsidiary, acquired all ownership in PT Bumi Sindang Jaya (BSJ) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BSJ has not yet started operation and therefore, recorded as an asset acquisition.

On June 14, 2013, PKP, a subsidiary, acquired all ownership in PT Berdikari Jaya Abadi (BJA) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, BJA has not yet started operation and therefore, recorded as an asset acquisition.

On June 17, 2013, PKP, a subsidiary, acquired all ownership in PT Mentari Panen Raya (MPR) (through 75% direct ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, MPR has not yet started operation and therefore, recorded as an asset acquisition.

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On June 19, 2013, LC, a subsidiary, acquired all ownership in PT Zeus Karya Prima (ZKP) (through 75% indirect ownership of CIP and 25% indirect ownership of MSE), with acquisition cost of Rp100,000,000. At the acquisition date, ZKP has not yet started operation and therefore, recorded as an asset acquisition.

On July 1, 2013, CIP, a subsidiary, acquired all ownership in PT Astana Artha Mas (AAM) (through 75% direct ownership and 25% direct ownership of MSE), with acquisition cost of Rp100,000,000. At the acquisition date, AAM has not yet started operation and therefore, recorded as an asset acquisition.

On July 19, 2013, GJP, a subsidiary, acquired all ownership in PT Krisanta Esa Maju (KEM) (through 75% indirect ownership of KEA and 25% indirect ownership of GEU), with acquisition cost of Rp100,000,000. At the acquisition date, KEM has not yet started operation and therefore, recorded as an asset acquisition.

On August 22, 2013, LC, a subsidiary, acquired all ownership in PT Pondera Prima Sarana (PPS) (through 75% direct ownership and 25% indirect ownership of GJID), with acquisition cost of Rp100,000,000. At the acquisition date, PPS has not yet started operation and therefore, recorded as an asset acquisition.

On August 22, 2013, LC, a subsidiary, acquired all ownership in PT Telaga Banyu Murni (TBM) (through 75% direct ownership and 25% indirect ownership of GJID), with acquisition cost of Rp100,000,000. At the acquisition date, TBM has not yet started operation and therefore, recorded as an asset acquisition.

On August 23, 2013, LC, a subsidiary, acquired all ownership in PT Karimata Alam Damai (KAD) (through 75% indirect ownership of TBM and 25% indirect ownership of PPS), with acquisition cost of Rp100,000,000. At the acquisition date, KAD has not yet started operation and therefore, recorded as an asset acquisition.

On September 2, 2013, PT Nilam Biru Bersinar, a subsidiary, dispose share ownership in SIH, a subsidiary, amounting to 5.900.000 shares with the transfer price of Rp53.100.000.000. Upon this transactions, the Company recorded Difference in Transactions with Non-Controlling Interest amounted to Rp51.469.368.683.

On October 9, 2013, PKP, a subsidiary, acquired all ownership in PT Multi Panen Utama (MPU) (through 25% indirect ownership of MCG and 75% indirect ownership of GHE), with acquisition cost of Rp100,000,000. At the acquisition date, MPU has not yet started operation and therefore, recorded as an asset acquisition. On October 24, 2013, ownership of MPU was transferred to PKP through 75% direct ownership and 25% indirect ownership of GVP.

On October 11, 2013, PKP, a subsidiary, acquired all ownership in PT Dwi Prabu Sakti (DPS) (through 0.01% indirect ownership and 99.99% indirect ownership of PT Lumbung Mas Trijaya), with acquisition cost of Rp100,000,000. At the acquisition date, DPS has not yet started operation and therefore, recorded as an asset acquisition.

On October 23, 2013, PKP, a subsidiary, acquired all ownership in PT Pancuran Intan Makmur (PIM) (through 75% indirect ownership and 25% indirect ownership of GVP), with acquisition cost of Rp 100,000,000. At the acquisition date, PIM has not yet started operation and therefore, recorded as an asset acquisition.

On October 24, 2013, PKP, a subsidiary, acquired all ownership in PT Solusi Dunia Baru (SDB) (through 75% indirect ownership and 25% indirect ownership of GVP), with acquisition cost of Rp100,000,000. At the acquisition date, SDB has not yet started operation and therefore, recorded as an asset acquisition.

On December 6, 2013, TPP and MBS, subsidiaries, acquired 75% and 25% ownership in PT Gramari Prima Nusa (GPN), with acquisition cost of Rp750,000,000 and Rp250,000,000, respectively. At the acquisition date, GPN has not yet started operation and therefore, recorded as an asset acquisition.

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On December 13, 2013, KUM, a subsidiary, acquired all ownership in PT Medica Sarana Tralliansia (MST) with acquisition cost of Rp189.600.000.000. This transaction is a business combination (see Note 44). MST has been started its commercial operation since 2008. MST is the owner of 99.99% shares of PT Trisaka Raksa Waluya (TRW). TRW has been started its commercial operation since 2008.

On December 19, 2013, LMT and DPS, both subsidiaries, acquired all ownership in PT Karyatama Buana Cemerlang (KBC) with acquisition cost of Rp150.878.244.393. At the acquisition date, KBC has not yet started operation and therefore, recorded as an asset acquisition. KBC is the owner of 70.00% shares of PT Mapalus Mancacakti (MM). At the acquisition date, MM has not yet started operation.

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

Based on the partial decision of Extraordinary General Meeting of Stockholders No. 48 dated April 24, 2013 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang and the Deed of Annual General Meeting of Stockholders No. 3 dated April 5, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang, the composition of the Board of Commissioners and Directors as of December 31, 2013 and 2012 are as follows:

|                                | 2013                           | 2012                           |
|--------------------------------|--------------------------------|--------------------------------|
| <b>Board of Commissioners:</b> |                                |                                |
| President Commissioner         | : Theo L. Sambuaga             | Theo L. Sambuaga               |
| Vice President                 |                                |                                |
| Commissioner                   | : Surjadi Soedirdja*           | Surjadi Soedirdja*             |
| Independent Commissioner       | : Tanri Abeng                  | Tanri Abeng                    |
| Independent Commissioner       | : Agum Gumelar                 | Agum Gumelar                   |
| Independent Commissioner       | : Farid Harianto               | Farid Harianto                 |
| Independent Commissioner       | : Jonathan Limbong Parapak     | Jonathan Limbong Parapak       |
| Independent Commissioner       | : Muladi                       | --                             |
| Commissioner                   | Gouw Viven (Viven G Sitiabudi) | Gouw Viven (Viven G Sitiabudi) |

\* also as Independent Commissioner

The composition of the Directors as of December 31, 2013 and 2012 are as follows:

|                       | 2013                          | 2012                        |
|-----------------------|-------------------------------|-----------------------------|
| <b>Directors:</b>     |                               |                             |
| President Director    | : Ketut Budi Wijaya           | Ketut Budi Wijaya           |
| Director              | : Tjokro Libianto             | Tjokro Libianto             |
| Director              | : Djoko Harjono               | Djoko Harjono               |
| Director              | : Roberto Fernandez Feliciano | Roberto Fernandez Feliciano |
| Director              | : Rahmawaty                   | Ivan Setiawan Budiono       |
| Director              | : --                          | Jopy Rusli                  |
| Director              | : --                          | Elia Yudhistira Susiloputro |
| Unaffiliated Director | : Jenny Kuistono              | Jenny Kuistono              |

The Audit Committee composition as of December 31, 2013 and December 31, 2012 are as follows:

|          | 2013             | 2012               |
|----------|------------------|--------------------|
| Chairman | : Farid Harianto | Farid Harianto     |
| Members  | : Herbudianto    | Siswanto Pramono   |
|          | : Indra Simarta  | Jeffrey Turangan * |

\*has passed away on December 7, 2012

The Company's corporate secretary as of December 31, 2013 and 2012 is Jenny Kuistono.

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As of December 31, 2013 and 2012, the Group have 6,168 and 6,705 permanent employees, respectively (unaudited).

## **2. Summary of Significant Accounting Policies**

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### **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, 2013 are as follows:

- Adjustment of PSAK No. 60 : Financial Instruments and Disclosures
- PSAK No. 38 (Revised 2012) : Business Combination for Entities Under Common Control
- ISAK No. 21 : Construction of Real Estate Agreement
- PPSAK No. 7 : Revocation of PSAK No. 44: Accounting for Real Estate Activities paragraph 1 – 46, 49 – 55 and 62 – 64.

The application of ISAK No. 21 and PPSAK No. 7 as mentioned above was suspended until an unspecified time, in accordance with the announcement from DSAK-IAI No.0643/DSAK/IA/IX/2012 dated September 21, 2012. The Group's management has evaluated the adjustment of PSAK No. 60 and has no material impact to the consolidated financial statements. Application of PSAK No. 38, "Business Combination for Entities Under Common Control" resulted changes in accounting policies as described in Note 2.r.

Meanwhile, revocation of PSAK No. 51, "Quasi Reorganizations" with an effective date of January 1, 2013 did not result in changes to the Group's accounting policies and had no effect on the amounts reported for the current year or prior financial year.

### **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.

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Control also exists when the parent entity owns half or less of the voting power of an entity when there is:

- power over more than half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- 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
- power to cast the majority of votes in the meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

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

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

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

The changes in the Group's ownership interest that do not result to a loss of control are accounted for as equity transactions and attributed to the owners of the parent. All major transactions and inter-company account balances (including significant unrealized gain or loss) has been eliminated.

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

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

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

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

|         | <u>2013</u><br>Rp | <u>2012</u><br>Rp |
|---------|-------------------|-------------------|
| 1 USD   | 12,189            | 9,670             |
| 1 SGD   | 9,628             | 7,907             |
| 1 EUR   | 16,821            | 12,810            |
| 100 JPY | 11,617            | 11,197            |
| 1 AUD   | 10,876            | 10,025            |

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.

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The financial statements of subsidiaries which presented in currency other than Rupiah were translated into Rupiah using closing rate at reporting date for assets and liabilities accounts and the average rate during the year for income and expense accounts. All differences resulting from the translations were recognized as part of other comprehensive income.

**2.d. Cash and Cash Equivalents**

Cash consists of cash on hand and cash in bank that can be withdrawn at any time, no pledged as collateral and no restrictions on use.

Cash equivalents consist of time deposits with maturities of not more than or equal to three (3) months from the date of placement, are not restricted and not used as collateral to any liabilities.

**2.e. Investment in Associates**

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

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

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

**2.f. Transaction with Related Parties**

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

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

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**2.g. Inventories and Land for Development**

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

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

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

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 year.

Land for development which are owned by the Group is classified as "Land for Development". Upon the commencement of development and construction of infrastructure, the carrying cost of land under development will be transferred to the respective real estate inventories or property and equipment accounts, whichever is appropriate.

**2.h. Prepaid Expenses**

Prepaid expenses are amortized over the period benefitted using straight line method.

**2.i. Investment Property**

Investment property is owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment property is carried at cost less its accumulated depreciation and any accumulated impairment losses. Land is not depreciated and is presented at acquisition cost. Building is depreciated using straight line method based on its estimated useful life of 20 years. The cost of repairs and maintenance is charged to the consolidated statements of comprehensive income as incurred while significant renovations and additions are capitalized.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in operation in the period derecognition or disposal.

Transfer to investment properties when, and only when, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development. Transfer from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

For a transfer from investment property to property that is used alone, the Group uses the cost method at the date of change in use. If the property is used by the Company to investment property, the Group recorded such investment properties in accordance with the policy of property and equipment up to the date of change in use.



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**2.j. Property and Equipment**

Property and equipment in initial recognition is measured at cost.

Property and equipment after initial recognition is accounted using cost model. Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Land is not depreciated and carried at cost less with accumulated impairment in losses, if any.

Depreciation is computed by using the straight line method based on the estimated useful lives of the assets as follows:

|   | <u>Year</u> |
|---|-------------|
| Building, Infrastructure, and Renovations | 4 - 40      |
| Parks and Interiors                       | 5           |
| Golf Course and Club House                | 20          |
| Transportation Equipment and Vehicles     | 4 - 8       |
| Furniture, Fixtures and Office Equipment  | 3 - 10      |
| Tools and Medical Equipment               | 3 - 10      |
| Machinery and Project Equipment           | 3 - 10      |
| Bowling Machinery                         | 10          |
| Playground Areas                          | 5           |

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

Construction in progress represents expenditures incurred directly to infrastructure development and property and equipment preparation. Expenditures include borrowing cost on loan used for developing assets during the construction period. Construction in progress is transferred to the appropriate property and equipment account when the construction is completed and ready for its intended use.

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized.

At the end of each financial year, residual values, useful lives and methods of depreciation are reviewed, and if appropriate, adjusted prospectively.

**2.k. Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Leases that transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased item are classified as finance leases. Leases which do not transfer substantially all of the risks and rewards incidental to ownership of the leased item are classified as operating leases.

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

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discount rate used in calculating the present value of the minimum lease payments is the rate implicit in the lease, if this is practical to determine, if not, the lessee's incremental borrowing rate is used. Initial direct cost of the lessee are added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Group recognizes lease payments as an expense on a straight-line basis over the lease term.

The Group as lessors:

The Group is required to recognize assets held under a finance lease in their statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Lease payments received are treated as repayments of principal and finance lease income. The recognition of finance lease income is based on a pattern that reflecting a constant periodic rate of return on the net investments of the Group as lessor in the finance lease.

The Group is required to present assets subject to operating leases in their statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as operating rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.

Sale and Leaseback:

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

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

**2.l. Borrowing Cost**

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

**2.m. Impairment of Non-Financial Assets**

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

Impairment loss been recognized in prior periods is reversed, if and if only, there is a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If so, the carrying amount of the asset is increased to its recoverable amount. This increase is a reversal of an impairment loss. Total assets increased due to the reversal of an impairment loss, should not exceed the carrying amount if the asset does not experience an impairment loss in the previous period.

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#### **2.n. Business Combination**

The Company accounts for each business combination by applying the acquisition method (includes measurement of non-controlling interest).

The consideration transferred for an acquisition is measured at the aggregate of the fair values of assets given-up, liabilities assumed and equity instruments issued by the Company. Acquisition-related costs are recognized in the profit or loss as incurred.

The Group recognizes the identifiable assets acquired and liabilities taken over at their fair value on acquisition date, except for the following:

- Deferred tax assets or liabilities that are related to assets acquired and liabilities taken over in business combination are recognized and measured in accordance with PSAK No. 46 (Revised 2010), "Income Taxes".
- Liabilities (or assets, if any) related to employee benefit arrangement from the acquiree are recognized and measured in accordance with PSAK No. 24 (Revised 2010), "Employee Benefits".
- Liabilities or equity instruments related to the replacement of an acquiree's share-based payment awards are measured in accordance with PSAK No. 53 (Revised 2010), "Share-based Payment".
- Non-current assets (or disposal groups) acquired which classified as held for sale are measured in accordance with PSAK No. 58 (Revised 2009), "Non-current Assets Held for Sale and Discontinued Operations".

#### **2.o. Intangible Assets**

##### Goodwill

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

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

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

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#### **2.p. Bond Issuance Cost**

Bond issued is classified into the category of financial liabilities measured at amortized cost (see Note 2.x). Therefore, bond issuance cost is deducted directly from the proceeds of the bonds. The difference between the net proceeds and the nominal value represents premium or discount which is amortized over the term of the bonds using the effective interest rate method.

#### **2.q. Employee Benefits**

The Group recognizes provisions for post-employment benefits in accordance with Labor Law No. 13/2003 and PSAK No. 24 (Revised 2010) "Employee Benefits". No funding is provided for this plan.

##### Short-term employee benefits

Short-term employee benefits are recognized at an undiscounted amount when employees have rendered their services to the Group during the accounting period.

##### Post-employment Benefits

Post-employment benefits are recognized at discounted amount when the employees have rendered their service to the Company during the accounting period. Liabilities and expenses are measured using actuarial techniques which include constructive obligation that arises from the Group's common practices.

In calculating liabilities, the benefit must be discounted using the projected unit credit method. Past service cost recognized in profit or loss when the benefit become vested and recognized as expense with straight-line method for the average period of vested benefit. Accumulated unrecognized actuarial gain and loss that are more than 10% of the present value of defined benefit obligations are amortized using the straight line method over the remaining projected average service period of employees in the programme.

#### **2.r. 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).

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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 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;

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- b. Total payments received from the buyer is at least 20% of the contract sales price and that such amount is not refundable; and
- c. The amount of revenue and cost of the unit property can reasonably be estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities that need to be accomplished.

Cost of land lots sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included in the "Accrued Expenses" account which is presented in the consolidated statements of financial position. The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current year.

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

Rental revenue and other services is recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership paid in advances are presented as deferred income and recognized as revenue over the period benefit.

Expenses are recognized when incurred.

**2.u. Income Tax**

Final Income Tax

Final income tax expense is recognized proportionately with the accounting income recognized during the year. The difference between the final income tax paid and the final tax expense in the profit or loss for the period is recognized as prepaid tax or tax payable. If the income is already subjected to final income tax, the differences between the consolidated financial statements carrying value of existing assets and liabilities and their tax bases are not recognized as deferred tax assets or liabilities.

Non-Final Income Tax

Current income tax is calculated from taxable income, the earnings that have been adjusted to the appropriate tax rules.

Amendments to taxation liabilities are recorded when an assessment is received or, if appealed against, when the results of the appeal is determined.

Current tax assets and current tax 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.

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#### **2.v. Earnings per Share**

Basic earnings per share (EPS) is calculated by dividing profit attributable to ordinary shares holder of the parent entity by the weighted average number of common stocks in the one (1) reporting year.

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

#### **2.w. Segment Information**

Operating segment is a component of an entity that engages in business activities whose operating results are regularly reviewed by the management and for which discrete financial information is available.

The Company organized its business into six (6) operating segments:

- (i) Urban development, which comprises, among others, activities in real estate, urban development, land acquisition and clearing, land development and excavation and infrastructure development.
- (ii) Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
- (iii) Retail malls, which comprises among others, activities in real estate in development and management of shopping center.
- (iv) Healthcare, which comprises activities in health services.
- (v) Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
- (vi) Property and portfolio management, which comprises, among others, activities in management services.

The above operating segments are strategic business units that offer different products and services. Products and services are managed separately because each business requires market strategies and different resources. The accounting policies for operating segments are the same as described in this summary of significant accounting policies.

#### **2.x. Financial Instruments**

##### **Financial Assets**

Financial assets are classified into four (4) categories, as follows (i) financial assets measured at fair value through profit or loss (FVTPL), (ii) loans and receivables, (iii) held-to-maturity financial assets (HTM financial assets) and (iv) available-for-sale financial assets (AFS financial assets). The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition.

##### **(i) Financial assets measured at FVTPL**

Financial assets measured at FVTPL are financial assets which are held for trading. Financial asset is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

At the time of initial recognition, financial assets at fair value through profit or loss are recognized at fair value plus transaction costs and subsequently measured at fair value.

##### **(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.

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**(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.

**(iv) AFS financial assets**

AFS financial assets are non-derivative financial assets that are intended to be held for an indefinite period of time, which might be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, HTM financial assets or financial assets measured at FVTPL.

AFS financial assets are initially recognized at fair value, plus transaction cost, and are measured subsequently at fair value with gains and losses being recognized in the consolidated statements of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. If AFS financial assets are determined to be impaired, the cumulative gain or loss previously recognized as other comprehensive income will be recognized as gain in the current year. Interest income is calculated using the effective interest method and foreign exchange gains or losses on monetary assets classified as AFS financial assets is recognized as gain or loss in the current year.

**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.



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The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized as gain or loss in the current year.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to the consolidated statements of comprehensive income.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as profit to the extent that the carrying amount of the investment on the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized as loss are not reversed through profit for the period. Any increase in fair value subsequent to an impairment loss is recognized directly to other comprehensive income.

**Derecognition of Financial Assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

**Financial Liabilities**

Financial liabilities are classified into the category of (i) financial liabilities measured at FVTPL and (ii) financial liabilities measured at amortized cost.

**(i) Financial liabilities measured at FVTPL**

Financial liabilities measured at FVTPL are financial liabilities which are held for trading. A financial liability is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

**(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.

**Derecognition of Financial Liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

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**Equity Instruments**

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The equity instruments issued by the Company are recognized at net proceeds after deducting the cost of its issuance and presented as part of equity as "Additional Paid-in Capital - Net" account.

Reacquisition of the Company's own equity instruments are recognized as treasury stock at cost and deducted from capital stock.

**Offsetting of Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**Effective Interest Rate Method**

The effective interest method is a method used for calculating the amortized cost of a financial instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of financial assets at initial recognition.

Income is recognized on an effective interest basis for financial instruments other than financial instruments at fair value through profit or loss.

**Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PSAK No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price, while financial liabilities use ask price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case for unlisted equity securities.

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**2.y. Important Estimated Source of Uncertainty and Accounting Considerations**

The preparation of financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting year.

In the preparation of these consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and 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 year.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

**i. Source of Uncertainty of Critical Accounting Estimates and Assumptions**

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the consolidated financial statements, as follows:

**Allowance for Impairment of Receivable**

In general, the management analyzes the adequacy of the allowance for impairment of receivable based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable is carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting period, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date (see Note 4).

**Deferred Tax Assets Estimation**

Management considerations are needed to determine the amount of deferred tax recognized in the profit or loss and the amount recorded as deferred tax assets. Recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation (see Note 17.b).

**Useful Lives of Property and Equipment Estimation**

Management makes a periodic review of the useful lives of property and equipment based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment, if any, are prospectively treated in accordance with PSAK No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors" (see Note 12).

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**Post-employment Benefits**

The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits (see Note 23).

The Group determines the appropriate discount rate at end of reporting year by the interest rate used to determine the present value of future cash outflows expected to settle this obligation. In determining the appropriate level of interest rates, the Company considers the interest rate of government bonds denominated in Rupiah that has a similar period to the corresponding period of obligation. Other key assumption is partly determined by current market conditions, during the year in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the year.

**Fair Value of Financial Instruments**

If the fair value of financial assets and liabilities recorded in the statement of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

**ii. Important Consideration in the Determination of Accounting Policies**

The following judgment made by management in the application of the Group's accounting policies that have significant effect on the amounts presented in the financial statements:

**Revenue Recognition - Percentage of Completion Method**

Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the cost that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of determination of the estimated percentage of completion and it realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting period, in which the material error correction will be carried out retrospectively (see Note 33).

**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 33).

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**3. Cash and Cash Equivalents**

|   | 2013<br>Rp      | 2012<br>Rp      |
|---|-----------------|-----------------|
| <b>Cash on Hand</b>   |                 |                 |
| (include 2013: USD 2,564, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376 ; 2012: USD 3,250, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376) | 6,917,942,083   | 9,307,779,111   |
| <b>Cash in Banks</b>  |                 |                 |
| <b>Third Parties</b>  |                 |                 |
| <u>Rupiah</u>   |                 |                 |
| PT Bank CIMB Niaga Tbk  | 172,388,811,892 | 129,707,798,230 |
| PT Bank Negara Indonesia (Persero) Tbk  | 108,633,441,787 | 80,223,863,725  |
| PT Bank Rakyat Indonesia (Persero) Tbk  | 56,199,268,479  | 12,333,502,387  |
| PT Bank Central Asia Tbk  | 37,447,323,869  | 40,050,618,165  |
| PT Bank Mandiri (Persero) Tbk   | 28,725,205,715  | 34,886,669,598  |
| PT Bank Danamon Indonesia Tbk   | 14,143,614,618  | 9,848,253,087   |
| PT Bank Permata Tbk   | 12,522,995,740  | 18,791,733,654  |
| PT Bank Mega Tbk  | 10,502,477,916  | 11,194,542,012  |
| PT Bank OCBC NISP Tbk   | 5,653,784,095   | 4,548,033,988   |
| PT Bank Internasional Indonesia Tbk   | 4,856,944,917   | 3,115,268,104   |
| PT Bank Tabungan Negara (Persero) Tbk   | 2,569,724,331   | 1,199,769,407   |
| PT Bank Pan Indonesia Tbk   | 1,706,452,872   | 18,319,316,504  |
| Others (each below Rp1 billion)   | 2,115,802,968   | 8,638,664,103   |
| <u>Foreign Currency</u>   |                 |                 |
| PT Bank CIMB Niaga Tbk  |                 |                 |
| USD   | 43,108,251,058  | 27,145,353,240  |
| SGD   | 83,987,325,088  | 295,514,138,459 |
| OCBC Bank, Singapore - SGD  | 65,039,895,534  | 28,267,161,278  |
| PT Bank OCBC NISP Tbk   |                 |                 |
| USD   | 1,866,372,021   | 2,353,813,380   |
| SGD   | 17,328,680,824  | 75,788,595      |
| EUR   | 104,678,765     | 49,213,168      |
| PT Bank Mega Tbk  |                 |                 |
| USD   | 3,400,340,708   | 381,365,460     |
| SGD   | 3,466,320,893   | 3,482,361,405   |
| PT Bank ANZ Indonesia   |                 |                 |
| USD   | 2,086,378,332   | --              |
| AUD   | 1,759,399,666   | --              |
| EUR   | 1,433,499,312   | --              |
| PT Bank International Indonesia Tbk - USD   | 3,692,834,833   | --              |
| BNP Paribas, Singapore  |                 |                 |
| USD   | 2,729,567,119   | --              |
| SGD   | 620,518,246     | --              |
| PT Bank Negara Indonesia (Persero) Tbk - USD  | 2,403,157,786   | 121,198,365     |
| PT Bank Permata Tbk - USD   | 1,466,219,564   | 2,859,419       |
| Credit Suisse, Singapore  |                 |                 |
| USD   | 1,294,267,979   | 18,127,072,560  |
| SGD   | --              | 2,692,942,339   |
| DBS Bank, Singapore   |                 |                 |
| USD   | --              | 299,218,810     |
| SGD   | --              | 50,263,035,739  |

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|  | <u>2013</u><br>Rp               | <u>2012</u><br>Rp               |
|--|---------------------------------|---------------------------------|
| Deutchbank, Singapore                  |                                 |                                 |
| USD                                    | --                              | 8,677,055,390                   |
| EUR                                    | --                              | 15,295,140                      |
| Others (each below Rp1 billion)        | 1,438,883,785                   | 659,654,721                     |
| <b>Related Party</b>                   |                                 |                                 |
| <u>Rupiah</u>                          |                                 |                                 |
| PT Bank Nationalnobu Tbk               | 335,256,404,263                 | 98,581,620,560                  |
|  | <u>1,029,948,844,975</u>        | <u>909,567,180,992</u>          |
| <b>Time Deposits</b>                   |                                 |                                 |
| <b>Third Parties</b>                   |                                 |                                 |
| <u>Rupiah</u>                          |                                 |                                 |
| PT Bank CIMB Niaga Tbk                 | 390,258,911,766                 | 518,524,424,084                 |
| PT Bank Negara Indonesia (Persero) Tbk | 219,494,703,751                 | 127,292,560,884                 |
| PT Bank Mega Tbk                       | 47,500,000,000                  | 188,912,845,253                 |
| PT Bank Mandiri (Persero) Tbk          | 8,627,025,852                   | 120,459,344,960                 |
| PT Bank Mayapada International Tbk     | 6,120,774,394                   | 5,289,606,244                   |
| PT Bank Rakyat Indonesia (Persero) Tbk | 2,725,066,950                   | 25,292,443,862                  |
| PT Bank Permata Tbk                    | 1,237,470,512                   | 47,832,276,000                  |
| PT Bank Danamon Indonesia Tbk          | 725,400,000                     | 16,202,900,000                  |
| PT Bank Internasional Indonesia Tbk    | 373,235,000                     | 8,900,000,000                   |
| PT Bank ICBC Indonesia                 | --                              | 40,915,867,706                  |
| Others (each below Rp1 billion)        | 834,355,123                     | 5,580,079,999                   |
| <u>Foreign Currency</u>                |                                 |                                 |
| PT Bank Permata Tbk - USD              | 61,310,396,723                  | --                              |
| Credit Suisse, Singapore               |                                 |                                 |
| USD                                    | 24,403,874,322                  | --                              |
| SGD                                    | 12,223,658,012                  | --                              |
| OCBC Bank, Singapore - SGD             | 29,052,856,731                  | 23,809,601,018                  |
| PT Bank OCBC NISP Tbk - USD            | 12,189,000,000                  | 467,216,209,399                 |
| PT Bank CIMB Niaga Tbk - USD           | 108,264,767                     | 324,053,264,767                 |
| PT Bank ICBC Indonesia - USD           | --                              | 293,807,631,270                 |
| BNP Paribas, Singapore - USD           | --                              | 204,393,392,370                 |
| <b>Related Party</b>                   |                                 |                                 |
| <u>Rupiah</u>                          |                                 |                                 |
| PT Bank Nationalnobu Tbk               | 1,000,000,000                   | --                              |
|  | <u>818,184,993,903</u>          | <u>2,418,482,447,816</u>        |
| <b>Total</b>                           | <u><b>1,855,051,780,961</b></u> | <u><b>3,337,357,407,919</b></u> |

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

|                  | <u>2013</u>   | <u>2012</u>   |
|------------------|---------------|---------------|
| Interest Rate    |               |               |
| Rupiah           | 3.00% - 6.50% | 3.00% - 6.50% |
| Foreign Currency | 0.50% - 3.00% | 0.50% - 3.00% |
| Maturity Period  | 0 - 3 months  | 0 - 3 months  |

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**4. Trade Accounts Receivable**

|  | <u>2013</u><br>Rp             | <u>2012</u><br>Rp             |
|--|-------------------------------|-------------------------------|
| <b>Third Parties</b>                               |                               |                               |
| Urban Development:                                 |                               |                               |
| Land Lots  | 38,368,526,368                | 47,118,798,821                |
| Asset Enhancements                                 | 37,201,571,842                | 9,636,491,706                 |
| Memorial Park                                      | 22,892,208,206                | 26,217,649,551                |
| Residential Houses and Shophouses                  | 13,049,988,562                | 19,077,568,342                |
| Others   | 15,820,046,145                | 18,594,881,282                |
| Subtotal   | <u>127,332,341,123</u>        | <u>120,645,389,702</u>        |
| Large Scale Integrated Development:                |                               |                               |
| Apartments   | 74,172,268,058                | 47,602,891,467                |
| Asset Enhancements                                 | 13,785,747,741                | 11,785,585,241                |
| Subtotal   | <u>87,958,015,799</u>         | <u>59,388,476,708</u>         |
| Retail Malls:                                      |                               |                               |
| Asset Enhancements                                 | 96,176,489,419                | 42,368,048,834                |
| Shopping Centers                                   | 21,791,834,450                | 22,622,841,440                |
| Subtotal   | <u>117,968,323,869</u>        | <u>64,990,890,274</u>         |
| Healthcare:  |                               |                               |
| Inpatient and Outpatient                           | <u>277,104,499,727</u>        | <u>190,063,131,836</u>        |
| Hospitality and Infrastructure:                    |                               |                               |
| Town Management and Water Treatment                | 117,333,032,589               | 102,204,239,435               |
| Hotels and Restaurants                             | 17,134,765,612                | 19,629,084,137                |
| Recreations and Sports                             | 91,729,932                    | 109,368,310                   |
| Others   | 1,564,102,391                 | 2,396,541,858                 |
| Subtotal   | <u>136,123,630,524</u>        | <u>124,339,233,740</u>        |
| Property and Portfolio Management:                 |                               |                               |
| Management Fees                                    | <u>72,819,087,284</u>         | <u>78,242,646,521</u>         |
| Total Trade Accounts Receivable from Third Parties | 819,305,898,326               | 637,669,768,781               |
| Less : Allowance for Impairment in Value           | <u>(50,066,447,517)</u>       | <u>(46,463,775,446)</u>       |
| Trade Accounts Receivable from Third Parties - Net | <u>769,239,450,809</u>        | <u>591,205,993,335</u>        |
| <b>Related Parties</b>                             |                               |                               |
| Healthcare:  |                               |                               |
| Inpatient and Outpatient                           | <u>2,432,208,891</u>          | <u>3,171,020,453</u>          |
| <b>Total - Net</b>                                 | <u><b>771,671,659,700</b></u> | <u><b>594,377,013,788</b></u> |

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

|                                | <u>2013</u><br>Rp            | <u>2012</u><br>Rp            |
|--------------------------------|------------------------------|------------------------------|
| <b>Third Parties</b>           |                              |                              |
| Balance of January 1,          | 46,463,775,446               | 44,731,336,807               |
| Addition                       | 3,860,486,607                | 1,732,438,639                |
| Reversal                       | <u>(257,814,536)</u>         | <u>--</u>                    |
| <b>Balance of December 31,</b> | <u><b>50,066,447,517</b></u> | <u><b>46,463,775,446</b></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 year.

Management believes that the allowance for impairment is adequate to cover the possibility of uncollectible trade accounts receivable.

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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 41 and 43.

**5. Other Current Financial Assets**

|                                     | <b>2013</b>              | <b>2012</b>              |
|-------------------------------------|--------------------------|--------------------------|
|                                     | <b>Rp</b>                | <b>Rp</b>                |
| <b>Third Parties</b>                |                          |                          |
| Available-for-Sale Financial Assets | 5,109,971,815,786        | 4,158,569,472,925        |
| Call Spread Option (See Note 39.d)  | 1,089,358,745,423        | 101,878,348,847          |
| Other Accounts Receivable           | 466,879,928,946          | 287,579,069,808          |
| Dividend Receivable                 | 112,271,998,095          | 55,409,100,016           |
| <b>Total</b>                        | <b>6,778,482,488,250</b> | <b>4,603,435,991,596</b> |

**Available-for-Sale Financial Assets**

|  | <b>2013</b>              | <b>2012</b>              |
|--|--------------------------|--------------------------|
|  | <b>Rp</b>                | <b>Rp</b>                |
| <b>At Cost</b>   |                          |                          |
| Lippo Malls Indonesia Retail Trust (LMIRT)<br>(2013: 676,589,968 units; 2012: 661,994,507 units) | 2,794,469,203,850        | 2,239,947,255,131        |
| First REIT (2013: 235,807,453 units; 2012: 190,148,936 units)                                    | 1,842,887,452,629        | 1,021,397,175,693        |
| Foreign Exchange Translation   | 48,566,393,120           | 4,919,478,581            |
| Accumulated Unrealized Gain (Loss):  |                          |                          |
| Charged to Profit or Loss  | (1,949,311,917)          | (1,949,311,917)          |
| Charged to Other Comprehensive Income  | 425,998,078,104          | 894,254,875,437          |
| <b>Total</b>   | <b>5,109,971,815,786</b> | <b>4,158,569,472,925</b> |

Available-for-Sale Financial Assets is an investment in REIT's units which are listed on the Singapore Stock Exchange. The quoted market price of REIT units as of December 31, 2013 and 2012 are SGD 1.060 and SGD 1.060, respectively, for First REIT units, and SGD 0.415 and SGD 0.490, respectively, for LMIR Trust units.

**Other Accounts Receivable**

|   | <b>2013</b>            | <b>2012</b>            |
|---|------------------------|------------------------|
|   | <b>Rp</b>              | <b>Rp</b>              |
| PT Dasa Graha Jaya                      | 75,345,005,905         | --                     |
| PT Bayutama Sukses                      | 70,190,133,700         | 70,390,133,700         |
| PT Bina Bangun Bersama                  | 53,572,613,715         | 35,594,938,918         |
| PT Palembangparagon Mall                | 25,163,567,059         | 25,163,567,059         |
| PT Amanda Cipta Utama                   | 14,789,445,540         | 14,789,445,540         |
| Others                                  | 234,172,456,989        | 147,994,278,553        |
| Subtotal                                | 473,233,222,908        | 293,932,363,770        |
| Less: Allowance for Impairment in value | (6,353,293,962)        | (6,353,293,962)        |
| <b>Total - Net</b>                      | <b>466,879,928,946</b> | <b>287,579,069,808</b> |

Receivables from PT Dasa Graha Jaya arisen from the sale of land and building of Siloam Hospitals Bali (see Note 39.b).



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

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

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

Receivables from PT Amanda Cipta Utama, are receivables incurred from the sale of shopping center (Mall Binjai) to PT Amanda Cipta Utama, a subsidiary of LMIR Trust.

The Group's management believes that allowance for impairment is adequate to cover the possibility of uncollectible other accounts receivable.

**Dividend Receivable**

This account represents dividend receivable of Bridgewater International Ltd., PT Menara Tirta Indah, Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, all subsidiaries, from their investments in First REIT and LMIR Trust, respectively.

**6. Inventories**

|   | <b>2013</b>                      | <b>2012</b>                      |
|---|----------------------------------|----------------------------------|
|   | <b>Rp</b>                        | <b>Rp</b>                        |
| Urban Development:                            |                                  |                                  |
| Land under Development                        | 5,835,056,245,467                | 4,441,343,827,753                |
| Residential Houses and Shophouses             | 1,830,309,020,890                | 1,321,841,687,126                |
| Apartments                                    | 60,095,656,897                   | 145,422,589,589                  |
| Others  | 8,110,616,280                    | 7,793,803,941                    |
| Subtotal                                      | <u>7,733,571,539,534</u>         | <u>5,916,401,908,409</u>         |
| Large Scale Integrated Development:           |                                  |                                  |
| Shopping Centers                              | 2,066,832,820,104                | 1,490,437,382,066                |
| Land under Development                        | 1,707,783,618,492                | 956,703,559,877                  |
| Apartments                                    | 1,085,315,718,504                | 1,014,367,240,165                |
| Subtotal                                      | <u>4,859,932,157,100</u>         | <u>3,461,508,182,108</u>         |
| Retail Malls:                                 |                                  |                                  |
| Shopping Centers                              | 1,018,866,295,705                | 866,024,872,411                  |
| Land under Development                        | 179,719,926,627                  | 180,405,712,678                  |
| Subtotal                                      | <u>1,198,586,222,332</u>         | <u>1,046,430,585,089</u>         |
| Healthcare:                                   |                                  |                                  |
| Medical and Non Medical Supplies              | <u>94,831,081,782</u>            | <u>75,351,731,878</u>            |
| Hospitality and Infrastructure:               |                                  |                                  |
| Hotels and Restaurants                        | 5,820,005,886                    | 4,465,066,863                    |
| Recreation and Sports                         | 1,161,141,082                    | 357,549,757                      |
| Others  | 146,716,034                      | 434,054,980                      |
| Less: Allowances Decline in Inventories Value | <u>(39,505,683)</u>              | <u>(39,505,683)</u>              |
| Subtotal                                      | <u>7,088,357,319</u>             | <u>5,217,165,917</u>             |
| <b>Total - Net</b>                            | <b><u>13,894,009,358,067</u></b> | <b><u>10,504,909,573,401</u></b> |

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In 2013, inventory was reclassified to property and equipment amounting to Rp141,375,080,787 (see Note 12).

In 2012, property and equipment was reclassified to inventory amounting to Rp285,353,263,373 (see Note 12).

Borrowing costs have been capitalized into land under development for the years ended December 31, 2013 and 2012 amounting to Rp989,553,824,500 (interest expense bond amounted to Rp459,290,949,723) and Rp373,269,545,889 (interest expense bond amounted to Rp369,947,553,880), respectively (see Note 22).

As of December 31, 2013, land under development consisted of land covering a net area of approximately 32 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 15 hectares in Mampang Prapatan District, 20 hectares in West Panunggangan Village, 26 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 9 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 97 hectares in Margakaya Village, Telukjambe, Karawang, 114 hectares in Cibatuh Village, 22 hectares in Serang Village, 30 hectares in Sukaresmi Village, 12 hectares in Cicau Village, 3 hectares in Kuta, Bali, 41 hectares in Jaya Mukti Village, 19 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.

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).

Land under development owned by PT Lippo Cikarang Tbk, a subsidiary, with a total area of 3.9 hectares are pledged as collateral for the loans obtained from PT Bank ICBC Indonesia (see Note 39.e).

The amount of inventory charged to cost of sales amounted to Rp2,073,646,015,520 and Rp3,262,098,191,629, respectively, for the years ended December 31, 2013 and 2012.

Management believes there is no indication of change in circumstances that causes a decrease in the value of inventories at December 31, 2013.

The Group's inventories have been insured against all risks, based on a certain insurance policy package to PT Lippo General Insurance Tbk, related party, with the insured amount of Rp5,701 billion and USD 13,600,000, and Rp6,186 billion as of December 31, 2013 and 2012, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.

**7. Prepaid Expenses**

|              | 2013<br>Rp             | 2012<br>Rp             |
|--------------|------------------------|------------------------|
| Rental       | 108,460,748,566        | 92,532,188,011         |
| Others       | 29,398,168,935         | 16,682,708,705         |
| <b>Total</b> | <b>137,858,917,501</b> | <b>109,214,896,716</b> |

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 39.b).

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

|                   | 2013<br>Rp             | 2012<br>Rp             |
|-------------------|------------------------|------------------------|
| Restricted Funds  | 460,469,077,258        | 344,302,236,769        |
| Other Investments | 58,329,023,011         | 58,329,023,011         |
| <b>Total</b>      | <b>518,798,100,269</b> | <b>402,631,259,780</b> |

**Restricted Funds**

Restricted fund represents the Group's time deposits placement in relation to mortgages agreements (KPR and KPA) entered by the Group with their respective banks. These deposits earn an equal interest to the Rupiah's denominated time deposits owned by the Group (see Note 3).

**Other Investments**

|                                 | Domicile  | 2013<br>Rp            | 2012<br>Rp            |
|---------------------------------|-----------|-----------------------|-----------------------|
| PT Supermal Karawaci            | Tangerang | 57,372,704,000        | 57,372,704,000        |
| PT East Jakarta Industrial Park | Jakarta   | 766,935,000           | 766,935,000           |
| PT Spinindo Mitradaya           | Jakarta   | 160,000,000           | 160,000,000           |
| Others                          | --        | 29,384,011            | 29,384,011            |
| <b>Total</b>                    |           | <b>58,329,023,011</b> | <b>58,329,023,011</b> |

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

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

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

|  | 2013<br>Rp             | 2012<br>Rp            | Percentage to Total<br>Assets/ Liabilities |             |
|--|------------------------|-----------------------|--|-------------|
|  |                        |                       | 2013<br>%                                  | 2012<br>%   |
| <b>Cash and Cash Equivalents</b>       |                        |                       |  |             |
| PT Bank Nationalnoba Tbk               |                        |                       |  |             |
| Bank                                   | 335,256,404,263        | 98,581,620,560        | 1.07                                       | 0.40        |
| Time Deposits                          | 1,000,000,000          | --                    | 0.00                                       | --          |
| <b>Total Cash and Cash Equivalents</b> | <b>336,256,404,263</b> | <b>98,581,620,560</b> | <b>1.07</b>                                | <b>0.40</b> |
| <b>Trade Accounts Receivable</b>       |                        |                       |  |             |
| Other (below Rp1 billion each)         | <b>2,432,208,891</b>   | <b>3,171,020,453</b>  | <b>0.01</b>                                | <b>0.01</b> |
| <b>Investments in Associates</b>       |                        |                       |  |             |
| PT Surya Citra Investama               | 66,551,763,917         | 62,584,037,469        | 0.21                                       | 0.25        |
| PT TTL Residences                      | 28,031,250,000         | --                    | 0.09                                       | --          |
| PT Graha Teknologi Nusantara           | 15,295,000,000         | --                    | 0.05                                       | --          |
| PT Hyundai Inti Development            | 11,284,752,744         | 14,404,600,538        | 0.04                                       | 0.06        |
| Other (below Rp1 billion each)         | 9,268,729,735          | 8,795,000,683         | 0.03                                       | 0.04        |
| <b>Total Investments in Associates</b> | <b>130,431,496,396</b> | <b>85,783,638,690</b> | <b>0.42</b>                                | <b>0.34</b> |

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|   | 2013<br>Rp           | 2012<br>Rp            | Percentage to Total<br>Assets/ Liabilities          |             |
|---|----------------------|-----------------------|---|-------------|
|   |                      |                       | 2013<br>%   | 2012<br>%   |
| <b>Due from Related Parties Non-Trade</b>             |                      |                       |   |             |
| PT Bumi Lemahabang Permai                             | 9,919,451,291        | 9,919,451,291         | 0.03  | 0.04        |
| PT Duta Mas Kharisma Indah                            | 4,891,935,451        | 4,891,935,451         | 0.02  | 0.02        |
| Directors and Key Management                          | 2,151,716,974        | 4,251,241,489         | 0.01  | 0.02        |
| Other (below Rp1 billion each)                        | 4,778,993,206        | 4,402,722,149         | 0.02  | 0.02        |
| Total   | 21,742,096,922       | 23,465,350,380        | 0.07  | 0.09        |
| Less : Allowance for Impairment in Value              | (12,004,700,338)     | (12,004,700,338)      | (0.04)  | (0.05)      |
| <b>Total Due from Related Parties Non-Trade - Net</b> | <b>9,737,396,584</b> | <b>11,460,650,042</b> | <b>0.03</b>   | <b>0.05</b> |
| <b>Due to Related Parties Non-Trade</b>               |                      |                       |   |             |
| PT Tirta Graha Sentana                                | 2,215,692,479        | 2,215,692,479         | 0.01  | 0.02        |
| Other (below Rp1 billion each)                        | 1,612,599,640        | 973,301,917           | 0.01  | 0.01        |
| <b>Total Due to Related Parties Non-Trade</b>         | <b>3,828,292,119</b> | <b>3,188,994,396</b>  | <b>0.02</b>   | <b>0.03</b> |
| <b>Deferred Income</b>                                |                      |                       |   |             |
| PT Matahari Putra Prima Tbk                           | 561,270,815,716      | 576,888,263,544       | 3.28  | 4.31        |
| <b>Long-Term Post-Employment Benefits Liability</b>   |                      |                       |   |             |
| Directors and Key Management                          | 8,776,903,677        | 8,604,807,526         | 0.05  | 0.06        |
|   |                      |                       | Percentage to Total<br>Net Sales/ Operating Expense |             |
|   | 2013<br>Rp           | 2012<br>Rp            | 2013<br>%   | 2012<br>%   |
| <b>Revenues</b>                                       |                      |                       |   |             |
| PT Matahari Putra Prima Tbk                           | 15,623,549,612       | 15,596,091,603        | 0.23  | 0.25        |
| <b>Short-Term Post-Employment Benefits</b>            |                      |                       |   |             |
| Directors, Commissioners and Key Management           | 46,813,837,437       | 36,044,707,147        | 3.05  | 2.68        |

Nature of transactions with related parties are as follows:

| Related Parties              | Relationship with the Company | Transactions  |
|------------------------------|-------------------------------|---|
| PT Matahari Putra Prima Tbk  | Under Common Control          | Deferred income and net sales   |
| PT Bumi Lemahabang Permai    | Under Common Control          | Non-interest bearing intercompany charges, advances in connection with the cancellation of land |
| PT Surya Cipta Investama     | Associate                     | Investment in shares of stock   |
| PT Hyundai Inti Development  | Associate                     | Investment in shares of stock   |
| PT TTL Residences            | Associate                     | Investment in shares of stock   |
| PT Graha Teknologi Nusantara | Associate                     | Investment in shares of stock   |
| PT Bank Nationalnobu Tbk     | Under Common Control          | Placement of cash and cash equivalent   |
| 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   |

Receivable from PT Bumi Lemahabang Permai (BLP) represents receivable of PT Lippo Cikarang Tbk (LC), a subsidiary, which is mainly consist of non-interest bearing intercompany accounts from operational cost which are unsecured and has no fixed repayment period.

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**10. Investments in Associates**

|                                 |          |                         |                        |  |                               | 2013                   |  |  |  |  |
|---------------------------------|----------|-------------------------|------------------------|--|-------------------------------|------------------------|--|--|--|--|
|                                 | Domicile | Percentage of Ownership | Acquisition Cost       | Accumulated Share in Profit (Loss) of Associates | Accumulated Dividend Received | Carrying Value         |  |  |  |  |
|                                 |          | %                       | Rp                     | Rp   | Rp                            | Rp                     |  |  |  |  |
| PT Surya Cipta Investama        | Bekasi   | 49.81                   | 32,964,983,496         | 33,586,780,421                                   | --                            | 66,551,763,917         |  |  |  |  |
| PT Hyundai Inti Development     | Bekasi   | 45.00                   | 6,155,423,370          | 93,914,203,236                                   | (88,784,873,862)              | 11,284,752,744         |  |  |  |  |
| PT TTL Residences               | Bekasi   | 25.00                   | 28,031,250,000         | --   | --                            | 28,031,250,000         |  |  |  |  |
| PT Graha Teknologi Nusantara    | Jakarta  | 20.00                   | 15,295,000,000         | --   | --                            | 15,295,000,000         |  |  |  |  |
| Others (below Rp5 billion each) |          |                         | 25,143,494,000         | (15,874,764,265)                                 | --                            | 9,268,729,735          |  |  |  |  |
| <b>Total</b>                    |          |                         | <b>107,590,150,866</b> | <b>111,626,219,392</b>                           | <b>(88,784,873,862)</b>       | <b>130,431,496,396</b> |  |  |  |  |

  

|                                 |          |                         |                       |  |                               | 2012                  |  |  |  |  |
|---------------------------------|----------|-------------------------|-----------------------|--|-------------------------------|-----------------------|--|--|--|--|
|                                 | Domicile | Percentage of Ownership | Acquisition Cost      | Accumulated Share in Profit (Loss) of Associates | Accumulated Dividend Received | Carrying Value        |  |  |  |  |
|                                 |          | %                       | Rp                    | Rp   | Rp                            | Rp                    |  |  |  |  |
| PT Surya Cipta Investama        | Bekasi   | 49.81                   | 32,964,983,496        | 29,619,053,973                                   | --                            | 62,584,037,469        |  |  |  |  |
| PT Hyundai Inti Development     | Bekasi   | 45.00                   | 6,155,423,370         | 89,834,051,030                                   | (81,584,873,862)              | 14,404,600,538        |  |  |  |  |
| Others (below Rp5 billion each) |          |                         | 25,143,494,000        | (16,348,493,317)                                 | --                            | 8,795,000,683         |  |  |  |  |
| <b>Total</b>                    |          |                         | <b>64,263,900,866</b> | <b>103,104,611,686</b>                           | <b>(81,584,873,862)</b>       | <b>85,783,638,690</b> |  |  |  |  |

The following is a summary of financial information on associates as of December 31, 2013 and 2012:

|  | 2013                   | 2012                   |
|--|------------------------|------------------------|
|  | Rp                     | Rp                     |
| Total Agregat of Assets                              | 227,654,875,973        | 185,839,876,551        |
| Total Agregat of Liabilities                         | 22,672,880,959         | 27,307,308,499         |
| Total Agregat of Current Year Net Sales and Revenues | 87,544,591,711         | 91,237,087,559         |
| Total Agregat of Profit of the Year                  | 21,136,365,153         | 26,763,975,647         |
| <b>Total Investments</b>                             | <b>359,008,713,796</b> | <b>331,148,248,256</b> |

There was no fair value information available based on quoted market prices of the investment in associates above.

**11. Investment Property**

|                                 |                        |                |           |                  |                        | 2013 |  |  |  |  |
|---------------------------------|------------------------|----------------|-----------|------------------|------------------------|------|--|--|--|--|
|                                 | Beginning Balance      | Addition       | Deduction | Reclassification | Ending Balance         |      |  |  |  |  |
|                                 | Rp                     | Rp             | Rp        | Rp               | Rp                     |      |  |  |  |  |
| <b>Acquisition Cost</b>         |                        |                |           |                  |                        |      |  |  |  |  |
| Land                            | 55,213,852,732         | 987,171,476    | --        | --               | 56,201,024,208         |      |  |  |  |  |
| Building                        | 300,367,484,281        | 21,924,768,594 | --        | --               | 322,292,252,875        |      |  |  |  |  |
| Total Acquisition Cost          | 355,581,337,013        | 22,911,940,070 | --        | --               | 378,493,277,083        |      |  |  |  |  |
| <b>Accumulated Depreciation</b> |                        |                |           |                  |                        |      |  |  |  |  |
| Building                        | 53,835,480,132         | 18,296,691,743 | --        | --               | 72,132,171,875         |      |  |  |  |  |
| Total Accumulated Depreciation  | 53,835,480,132         | 18,296,691,743 | --        | --               | 72,132,171,875         |      |  |  |  |  |
| <b>Carrying Value</b>           | <b>301,745,856,881</b> |                |           |                  | <b>306,361,105,208</b> |      |  |  |  |  |

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|                                 | 2012                          |                       |                        |                        |                               |
|---------------------------------|-------------------------------|-----------------------|------------------------|------------------------|-------------------------------|
|                                 | Beginning<br>Balance<br>Rp    | Addition<br>Rp        | Deduction<br>Rp        | Reclassification<br>Rp | Ending<br>Balance<br>Rp       |
| <b>Acquisition Cost</b>         |                               |                       |                        |                        |                               |
| Land                            | 109,240,988,060               | --                    | 54,027,135,328         | --                     | 55,213,852,732                |
| Building                        | 490,646,909,910               | 10,981,513,930        | 201,260,939,559        | --                     | 300,367,484,281               |
| Total Acquisition Cost          | <u>599,887,897,970</u>        | <u>10,981,513,930</u> | <u>255,288,074,887</u> | --                     | <u>355,581,337,013</u>        |
| <b>Accumulated Depreciation</b> |                               |                       |                        |                        |                               |
| Building                        | 71,487,590,028                | 14,828,838,505        | 32,480,948,401         | --                     | 53,835,480,132                |
| Total Accumulated Depreciation  | <u>71,487,590,028</u>         | <u>14,828,838,505</u> | <u>32,480,948,401</u>  | --                     | <u>53,835,480,132</u>         |
| <b>Carrying Value</b>           | <u><u>528,400,307,942</u></u> |                       |                        |                        | <u><u>301,745,856,881</u></u> |

Decrease of investment properties in 2012 due to selling of equity investment in PT Panca Permata Pejaten to LMIR Trust (see Note 1.c).

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

|   | 2013<br>Rp     | 2012<br>Rp      |
|---|----------------|-----------------|
| Rental Income   | 55,125,853,798 | 101,125,103,568 |
| Direct Operating Cost Arises from<br>the Rental Generated Investment Properties | 31,616,560,654 | 49,873,198,986  |

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

|                            | 2013<br>Rp                   | 2012<br>Rp                   |
|----------------------------|------------------------------|------------------------------|
| Cost of Sales and Services | 3,704,071,207                | 3,201,413,898                |
| Selling Expense            | 14,592,620,536               | 11,627,424,607               |
| <b>Total</b>               | <u><u>18,296,691,743</u></u> | <u><u>14,828,838,505</u></u> |

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 Rp1,490 billion and USD 25,000 as of December 31, 2013, and Rp614.8 billion and USD 2,000,000 as of December 31, 2012, respectively. The Company and subsidiaries' management is in the opinion that the insured amount is adequate to cover any possible losses.

Based on the valuation reports of Kantor Jasa Penilai Publik Rengganis Hamid dan Rekan and Kantor Jasa Penilai Publik Ihot Dollar & Raymond, independent appraisers which are not related with the Company, dated June 30, 2013 and June 11, 2013, respectively, the fair value of all inventories (Note 6), investment property, and property and equipment (Notes 11 and 12), amounted to Rp46,653,601,000,000. The appraisers are member of MAPPI and has appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the code of ethics of Indonesian valuation.

The approach used by the appraiser are:

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

Management believes that the fair value as of December 31, 2013 was not impaired as compared to 2012.



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|  | 2012                            |                        |                       |                        | Ending<br>Balance<br>Rp         |
|--|---------------------------------|------------------------|-----------------------|------------------------|---------------------------------|
|  | Beginning<br>Balance<br>Rp      | Addition<br>Rp         | Deduction<br>Rp       | Reclassification<br>Rp |                                 |
|  | Rp                              | Rp                     | Rp                    | Rp                     |                                 |
| <b>Accumulated Depreciation</b>          |                                 |                        |                       |                        |                                 |
| <b>Direct Ownership</b>                  |                                 |                        |                       |                        |                                 |
| Building, Infrastructure and Renovations | 151,771,574,603                 | 31,063,570,604         | --                    | --                     | 182,835,145,207                 |
| Parks and Interiors                      | 18,299,327,948                  | 1,336,132,055          | --                    | --                     | 19,635,460,003                  |
| Golf Course and Club House               | 123,826,915,440                 | 9,813,252,835          | --                    | --                     | 133,640,168,275                 |
| Transportation Equipment and Vehicles    | 22,347,773,749                  | 2,274,594,578          | --                    | --                     | 24,622,368,327                  |
| Furniture, Fixtures and Office Equipment | 301,884,200,445                 | 25,909,707,147         | 13,206,767,013        | --                     | 314,587,140,579                 |
| Tools and Medical Equipment              | 235,936,433,368                 | 106,093,635,684        | 1,290,958,111         | --                     | 340,739,110,941                 |
| Machinery and Project Equipment          | 95,984,965,261                  | 39,400,398,543         | 825,821,911           | --                     | 134,559,541,893                 |
| Bowling Machinery                        | 14,304,450,908                  | 32,571,060             | --                    | --                     | 14,337,021,968                  |
| Playground Areas                         | 3,135,746,092                   | --                     | --                    | --                     | 3,135,746,092                   |
| Total Accumulated Depreciation           | <u>967,491,387,814</u>          | <u>215,923,862,506</u> | <u>15,323,547,035</u> | --                     | <u>1,168,091,703,285</u>        |
| <b>Carrying Value</b>                    | <u><b>1,556,124,819,331</b></u> |                        |                       |                        | <u><b>2,222,377,300,854</b></u> |

In 2013, the addition of property and equipment including from the acquired entity (see Notes 1.c and 44) with the acquisition cost of Rp 246,927,708,694 and accumulated depreciation of Rp29,272,544,334.

In 2013, the Group reclassified inventory to property and equipment amounting to Rp141,375,080,787 (see Note 6). The addition of the Group's property and equipment, including non-cash transactions from accrued expenses amounted to Rp36,097,496,473 and realization of advance purchase of fixed assets amounting to Rp141,582,484,925. The deduction of buildings, infrastructure and renovation include deduction due to divestment of a subsidiary (see Note 1.c) amounting to Rp700,000,000,000.

In 2012, the Group reclassified property and equipment to inventory amounting to Rp285,353,263,373 (see Note 6). The additions to property and equipment above include assets acquired by non-cash transaction by way of realization of advances amounting to Rp8,271,743,937 and the addition of property and equipment includes assets from the acquired entity (see Note 1.c) with the acquisition cost amounting to Rp335,173,270,871 and accumulated depreciation amounting to Rp21,476,460,307.

Construction in progress includes hospitals and mall buildings. As of December 31, 2013, Construction in progress has reached 5% - 95% and estimated the completion within April 2014 until October 2015. 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:

|                                     | 2013<br>Rp                    | 2012<br>Rp                    |
|-------------------------------------|-------------------------------|-------------------------------|
| General and Administrative Expenses | 114,291,899,833               | 102,723,861,970               |
| Cost of Sales and Services          | 152,004,745,205               | 88,386,221,967                |
| Selling Expenses                    | 4,002,644,211                 | 3,337,318,262                 |
| <b>Total</b>                        | <u><b>270,299,289,249</b></u> | <u><b>194,447,402,199</b></u> |

Acquisition cost of property and equipment that have been fully depreciated and still in use as of December 31, 2013 and 2012 amounted Rp105,177,098,020 and Rp98,162,712,565, respectively.



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Details of the disposal on property and equipment of the Group for the years ended December 31, 2013 and 2012 are as follows:

|  | <b>2013</b>           | <b>2012</b>          |
|--|-----------------------|----------------------|
|  | <b>Rp</b>             | <b>Rp</b>            |
| Acquisition Cost   | 286,675,568,900       | 131,688,491,522      |
| Accumulated Depreciation   | 20,405,148,702        | 15,323,547,035       |
| Carrying Value   | 266,270,420,198       | 116,364,944,487      |
| Selling Price  | 814,869,309,976       | 467,759,850,643      |
| Gain on Sale of Property and Equipment   | 548,598,889,778       | 351,394,906,156      |
| Deferred Gain on Sale and Lease Back Transactions (Note 26)                    | 475,274,403,794       | 342,161,558,000      |
| <b>Gain Credited to the Consolidated Statement<br/>of Comprehensive Income</b> | <b>73,324,485,984</b> | <b>9,233,348,156</b> |

In 2013, disposal on property and equipment of the Group mainly from sale of land and building of Siloam Hospitals Bali with carrying value amounting to Rp200,836,972,996 on March 26, 2013 and then leased back those assets (see Note 39.b) and the sale of the building by PT Almaron Perkasa, a subsidiary, to PT Tritunggal Mulia Nusantara with carrying value amounting to Rp62,502,955,497.

In 2012, disposal on property and equipment of the Group mainly from sale of land and building of Siloam Hospitals Makassar with carrying value amounting to Rp116,409,170,833 on November 30, 2012 and then leased back those assets (see Note 39.b).

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 to PT Lippo General Insurance Tbk, related party, against fire damage and other risks, with insured amount of Rp2,039 billion and USD 4,000,000 as of December 31, 2013 and amounting to Rp2,357.8 billion, SGD 11,250,344 and USD 37,749,246 as of December 31, 2012, respectively. The Group's management is in the opinion that the insured amount is adequate to cover any possible losses.

The Group's management is in the opinion that there is no impairment in the carrying value of property and equipment as of December 31, 2013.

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**13. Intangible Assets**

|  | 2013                          |                        |                       |                               |
|--|-------------------------------|------------------------|-----------------------|-------------------------------|
|  | Beginning<br>Balance          | Addition               | Deduction             | Ending<br>Balance             |
|  | Rp                            | Rp                     | Rp                    | Rp                            |
| <b>Acquisition Cost</b>                        |                               |                        |                       |                               |
| Goodwill                                       | 208,279,265,320               | 126,372,945,111        | --                    | 334,652,210,431               |
| Software                                       | 19,053,913,246                | 1,981,937,537          | --                    | 21,035,850,783                |
| Total Acquisition Cost                         | <u>227,333,178,566</u>        | <u>128,354,882,648</u> | <u>--</u>             | <u>355,688,061,214</u>        |
| <b>Accumulated Impairment and Amortization</b> |                               |                        |                       |                               |
| Impairment of Goodwill                         | 9,099,999,902                 | 9,560,604,416          | --                    | 18,660,604,318                |
| Amortization of Software                       | 3,595,604,556                 | 1,590,878,929          | --                    | 5,186,483,485                 |
| Total Accumulated Impairment and Amortization  | <u>12,695,604,458</u>         | <u>11,151,483,345</u>  | <u>--</u>             | <u>23,847,087,803</u>         |
| <b>Carrying Value</b>                          | <u><u>214,637,574,108</u></u> |                        |                       | <u><u>331,840,973,411</u></u> |
|  | 2012                          |                        |                       |                               |
|  | Beginning<br>Balance          | Addition               | Deduction             | Ending<br>Balance             |
|  | Rp                            | Rp                     | Rp                    | Rp                            |
| <b>Acquisition Cost</b>                        |                               |                        |                       |                               |
| Goodwill                                       | 209,541,539,862               | 59,737,725,458         | 61,000,000,000        | 208,279,265,320               |
| Software                                       | 12,046,610,389                | 7,007,302,857          | --                    | 19,053,913,246                |
| Total Acquisition Cost                         | <u>221,588,150,251</u>        | <u>66,745,028,315</u>  | <u>61,000,000,000</u> | <u>227,333,178,566</u>        |
| <b>Accumulated Impairment and Amortization</b> |                               |                        |                       |                               |
| Impairment of Goodwill                         | 9,099,999,902                 | --                     | --                    | 9,099,999,902                 |
| Amortization of Software                       | 2,211,654,497                 | 1,383,950,059          | --                    | 3,595,604,556                 |
| Total Accumulated Impairment and Amortization  | <u>11,311,654,399</u>         | <u>1,383,950,059</u>   | <u>--</u>             | <u>12,695,604,458</u>         |
| <b>Carrying Value</b>                          | <u><u>210,276,495,852</u></u> |                        |                       | <u><u>214,637,574,108</u></u> |

The details of goodwill are as follows:

| Acquirer Entity                   | Share Acquisition in            | Year of<br>Acquisition | Net Value                     |                               |
|-----------------------------------|---------------------------------|------------------------|-------------------------------|-------------------------------|
|                                   |                                 |                        | 2013<br>Rp                    | 2012<br>Rp                    |
| PT Koridor Usaha Maju             | PT Medica Sarana Traliansia     | 2013                   | 126,297,825,734               | --                            |
| PT Lippo Malls Indonesia          | PT Mulia Citra Abadi            | 2012                   | 20,247,679,428                | 20,247,679,428                |
| PT Persada Mandiri Dunia Niaga    | PT Ekaputra Kencana Abadi       | 2012                   | 15,050,000,000                | 15,050,000,000                |
| PT Primakreasi Propertindo        | PT Bimasakti Jaya Abadi         | 2012                   | 9,509,000,000                 | 9,509,000,000                 |
| PT Pancawarna Semesta             | PT Diagram Healthcare Indonesia | 2012                   | 9,251,046,030                 | 9,251,046,030                 |
| PT Primakreasi Propertindo        | PT Surya Megah Lestari          | 2012                   | 5,680,000,000                 | 5,680,000,000                 |
| PT Prawira Tata Semesta           | PT Balikpapan Damai Husada      | 2011                   | 27,480,578,103                | 27,480,578,103                |
| PT Siloam International Hospitals | PT Prawira Tata Semesta         | 2011                   | 14,146,465,217                | 14,146,465,217                |
| PT Siloam International Hospitals | PT Guchi Kencana Emas           | 2011                   | 3,540,326,235                 | 3,540,326,235                 |
| PT Medika Sarana Traliansia       | PT Trisaka Raksa Waluya         | 2010                   | 75,119,377                    | --                            |
| 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 Primakreasi Propertindo        | PT Graha Solusi Mandiri         | 2007                   | --                            | 9,560,604,416                 |
| PT Graha Jaya Pratama             | PT Nuansa Indah Lestari         | 2004                   | 38,110,462,048                | 38,110,462,048                |
| PT Graha Jaya Pratama             | PT Fajar Usaha Semesta          | 2004                   | 8,186,375,658                 | 8,186,375,658                 |
| PT Graha Jaya Pratama             | PT Fajar Raya Cemerlang         | 2004                   | 7,929,625,658                 | 7,929,625,658                 |
| PT Graha Jaya Pratama             | PT Aresta Permata Utama         | 2004                   | 5,971,083,992                 | 5,971,083,992                 |
| PT Graha Jaya Pratama             | PT Fajar Abadi Aditama          | 2004                   | 5,971,083,992                 | 5,971,083,992                 |
| <b>Total - Net</b>                |                                 |                        | <u><u>315,991,606,113</u></u> | <u><u>199,179,265,418</u></u> |

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The management believes that the indentified impairment that occurred for the years ended December 31, 2013 and 2012 have been assessed adequately.

Decrease in goodwill is due to the obligation of the PT Metropolis Propertindo Utama (MPU) as seller to pay compensation to PT Siloam International Hospitals Tbk (as acquirer) since the respective Net Profit After Tax (NPAT) of PT Guchi Kencana Emas and PT Prawira Tata Semesta as set forth in the purchase agreement of both companies was not achieved, as follows:

- Based on Agreement dated November 2, 2010, between PT Siloam International Hospitals Tbk (SIH) and MPU on the acquisition of PT Prawira Tata Semesta (PTS), MPU guaranteed that Net Profit After Tax (NPAT) of PT Balikpapan Damai Husada (BDH), a subsidiary of PTS, would amount to Rp17,000,000,000 in 2011, and if the said NPAT does not materialize, which this is the case, MPU will provide compensation amounting to Rp41,000,000,000 to SIH. This compensation was fully paid on May 30, 2012 and recorded as a reduction of goodwill.
- Based on Agreement dated October 26, 2010, between SIH and MPU on the acquisition of PT Guchi Kencana Emas (GKE), MPU guaranteed that Net Profit After Tax (NPAT) of PT Golden First Atlanta (GFA), a subsidiary of GKE, would amount to Rp6,400,000,000 in 2011, and if the said NPAT does not materialize, which is the case, MPU will provide compensation amounting to Rp20,000,000,000 to SIH. This compensation was fully paid on May 30, 2012 and recorded as a reduction of goodwill.

**14. Advances**

|  | <b>2013</b>                     | <b>2012</b>                     |
|--|---------------------------------|---------------------------------|
|  | <b>Rp</b>                       | <b>Rp</b>                       |
| Advances for Land Acquisition                        | 622,100,496,508                 | 342,033,328,425                 |
| Advances for Investments - PT Anugerah Bahagia Abadi | 502,400,000,000                 | 502,400,000,000                 |
| Advances for Construction                            | 208,339,100,001                 | 32,311,222,654                  |
| Advances for Acquisition of Property and Equipment   | 93,978,166,821                  | 141,743,826,536                 |
| Others   | 29,611,986,498                  | 61,348,786,168                  |
| <b>Total</b>   | <b><u>1,456,429,749,828</u></b> | <b><u>1,079,837,163,783</u></b> |

On January 7, 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, made an amendment on land sales and purchase agreement which was signed on December 2012 for purchase consideration of Rp300 billion. Until December 31, 2013, LC has made payment in total of Rp170 billion.

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 billion. Until the reporting date, there is no binding for such land purchase agreement.

On December 2, 2010, based on Sale and Purchase of Shares Agreements, PT Satria Mandiri Idola Utama, a subsidiary, purchased the shares of PT Anugerah Bahagia Abadi of Rp549,686,500,000. Until December 31, 2013, the advanced payment amounted to Rp502,400,000,000.

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**15. Land for Development**

|  | 2013             |                          | 2012             |                        |
|--|------------------|--------------------------|------------------|------------------------|
|  | Area<br>sqm      | Value<br>Rp              | Area<br>sqm      | Value<br>Rp            |
| The Company                              | 1,001,010        | 203,350,714,722          | 1,001,010        | 203,350,714,722        |
| Subsidiaries:                            |                  |                          |                  |                        |
| PT Lippo Cikarang Tbk                    | 2,485,221        | 473,463,425,333          | 2,297,717        | 285,398,871,143        |
| PT Gowa Makassar Tourism Development Tbk | 2,112,883        | 722,230,107,166          | 2,119,315        | 229,202,303,471        |
| PT Muliasantosa Dinamika                 | 803,413          | 112,455,747,318          | 803,413          | 112,455,747,318        |
| PT Erabaru Realindo                      | 702,371          | 17,758,887,500           | 692,082          | 16,961,287,500         |
| 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           | 12,817,939,795         |
| PT Bahtera Pratama Wirasakti             | 83,405           | 15,699,415,352           | 83,405           | 15,699,340,352         |
| PT Surya Makmur Alam Persada             | 71,303           | 20,283,623,533           | 71,303           | 20,283,623,533         |
| <b>Total</b>                             | <b>7,583,527</b> | <b>1,611,411,858,630</b> | <b>7,392,166</b> | <b>929,483,420,264</b> |

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**

|                                       | 2013<br>Rp             | 2012<br>Rp             |
|---------------------------------------|------------------------|------------------------|
| Estimated Cost for Construction       | 244,973,292,030        | 273,238,175,833        |
| Interest                              | 86,392,589,382         | 55,525,085,171         |
| Endowment Care Fund                   | 55,091,149,367         | 42,696,987,047         |
| Hedging Premium of Call Spread Option | 16,699,933,846         | 9,016,108,427          |
| Professional Fees                     | 15,218,437,089         | 10,093,610,971         |
| Transfer of Ownership Tax             | 14,966,467,163         | 15,233,896,173         |
| Others (each below Rp10 billion)      | 118,266,604,631        | 81,531,962,656         |
| <b>Total</b>                          | <b>551,608,473,508</b> | <b>487,335,826,278</b> |

**17. Taxation**

**a. Income Tax Expenses**

|                                  | 2013                 |                        |                        | 2012                 |                        |                        |
|----------------------------------|----------------------|------------------------|------------------------|----------------------|------------------------|------------------------|
|                                  | Company<br>Rp        | Subsidiaries<br>Rp     | Consolidated<br>Rp     | Company<br>Rp        | Subsidiaries<br>Rp     | Consolidated<br>Rp     |
| Current Tax Expenses             |                      |                        |                        |                      |                        |                        |
| - Final                          | 4,058,987,507        | 163,973,096,288        | 168,032,083,795        | 5,892,906,623        | 198,459,943,625        | 204,352,850,248        |
| - Non Final                      | --                   | 138,215,844,158        | 138,215,844,158        | --                   | 48,862,037,553         | 48,862,037,553         |
| Total Current Tax Expenses       | 4,058,987,507        | 302,188,940,446        | 306,247,927,953        | 5,892,906,623        | 247,321,981,178        | 253,214,887,801        |
| Deffered Tax Expenses (Benefits) | 1,918,033,283        | 24,173,051,049         | 26,091,084,331         | 1,486,215,913        | (459,836,267)          | 1,026,379,646          |
| Total Tax Expenses               | <b>5,977,020,790</b> | <b>326,361,991,495</b> | <b>332,339,012,284</b> | <b>7,379,122,536</b> | <b>246,862,144,911</b> | <b>254,241,267,447</b> |

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

|  | <b>2013</b>                     | <b>2012</b>                     |
|--|---------------------------------|---------------------------------|
|  | <b>Rp</b>                       | <b>Rp</b>                       |
| Profit before Tax as Presented                             |                                 |                                 |
| in the Consolidated Statements of Comprehensive Income     | 1,924,830,226,980               | 1,577,088,286,385               |
| <i>Deduct:</i> Income of Subsidiaries                      | <u>(2,136,306,863,838)</u>      | <u>(1,791,034,868,168)</u>      |
| The Company's Commercial Loss - Net                        | (211,476,636,858)               | (213,946,581,783)               |
| <i>Deduct:</i>   |                                 |                                 |
| Profit before Tax from Sale of Land and Buildings          |                                 |                                 |
| Subject to Final Tax                                       | 298,793,542,429                 | 142,529,121,041                 |
| Rental Income Subject to Final Tax                         | <u>(27,073,396,893)</u>         | <u>(24,472,417,595)</u>         |
| The Company's Commercial Profit (Loss) - Net               | 60,243,508,678                  | (95,889,878,337)                |
| <b>Temporary Differences</b>                               |                                 |                                 |
| Salaries and Employee Benefits                             | 4,269,394,490                   | 4,999,571,144                   |
| Depreciation of Direct Ownership of Property and Equipment | (4,638,080,876)                 | (3,640,988,052)                 |
| Deferred Gain on Sale and Leaseback Transactions           | <u>(7,303,446,744)</u>          | <u>(7,303,446,744)</u>          |
| Subtotal   | <u>(7,672,133,130)</u>          | <u>(5,944,863,652)</u>          |
| <b>Permanent Differences</b>                               |                                 |                                 |
| Interest Income Subjected to Final Tax                     | (20,032,758,818)                | (39,151,509,572)                |
| Donation and Representation                                | 378,882,028                     | 271,280,933                     |
| Subtotal   | <u>(19,653,876,790)</u>         | <u>(38,880,228,639)</u>         |
| <b>Estimated Taxable Income (Tax Loss) for the Year</b>    | <b><u>32,917,498,758</u></b>    | <b><u>(140,714,970,628)</u></b> |
| <b>Tax Loss Carryforward</b>                               |                                 |                                 |
| Year 2012  | (140,714,970,628)               | --                              |
| Year 2011  | (117,567,525,998)               | (117,567,525,998)               |
| Year 2010  | (14,180,639,173)                | (14,180,639,173)                |
| Year 2009  | <u>(10,011,515,492)</u>         | <u>(10,011,515,492)</u>         |
| <b>Accumulated Tax Loss - Net of Compensation</b>          | <b><u>(249,557,152,533)</u></b> | <b><u>(282,474,651,291)</u></b> |

As of issuance date of these financial statements, the Company has not reported the Annual Tax Return (SPT) in 2013 to the Tax Office. Taxable income for the year 2012 is in accordance with the SPT submitted by the Company to the tax office for the year 2012.

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

|  | <b>2013</b>                   | <b>2012</b>                   |
|--|-------------------------------|-------------------------------|
|  | <b>Rp</b>                     | <b>Rp</b>                     |
| Taxable Income                                       | <b><u>219,933,765,174</u></b> | <b><u>184,630,468,560</u></b> |
| Current Tax - Non Final                              | 138,215,844,158               | 48,862,037,553                |
| Tax Credits  | <u>(71,065,232,506)</u>       | <u>(5,111,852,102)</u>        |
| Income Tax Payable Article 29                        |                               |                               |
| - Current Year                                       | 67,150,611,652                | 43,750,185,451                |
| Previous Year Income Tax Payable Article 29          | --                            | --                            |
| <b>Income Tax Payable Article 29 of Subsidiaries</b> | <b><u>67,150,611,652</u></b>  | <b><u>43,750,185,451</u></b>  |

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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:

|  | 2013<br>Rp             | 2012<br>Rp             |
|--|------------------------|------------------------|
| Profit before Tax as Presented in<br>the Consolidated Statements of Comprehensive Income | 1,924,830,226,980      | 1,577,088,286,385      |
| <i>Deduct:</i>   |                        |                        |
| Income of Subsidiaries   | (2,136,306,863,838)    | (1,791,034,868,168)    |
| Profit before Tax from Sale of Land and Buildings<br>Subject to Final Tax                | 298,793,542,429        | 142,529,121,041        |
| Rental Income Subject to Final Tax   | (27,073,396,893)       | (24,472,417,595)       |
| The Company's Commercial Profit (Loss) - Net   | 60,243,508,678         | (95,889,878,337)       |
| Income Tax Expense at Effective Tax Rate 25%   | 15,060,877,170         | 23,972,469,584         |
| Interest Income Subject to Final Tax   | 5,008,189,705          | 9,787,877,393          |
| Donation and Representation  | (94,720,507)           | (67,820,233)           |
| Fiscal Loss Before Compensation  | (21,892,379,650)       | (35,178,742,657)       |
| Final Tax Expense of the Company   | (4,058,987,507)        | (5,892,906,623)        |
| Total Tax Expense of the Company   | <u>(5,977,020,790)</u> | <u>(7,379,122,536)</u> |

**b. Deferred Tax Asset and Liabilities**

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

|  | January 1,<br>2013<br>Rp | Charged (Credited) to<br>Consolidated<br>Statements of<br>Comprehensive Income<br>Rp | Additions from<br>Business<br>Combination<br>Rp | December 31,<br>2013<br>Rp |
|--|--------------------------|--|---|----------------------------|
| <b>The Company</b>   |                          |  |   |                            |
| Amortization of Deferred Income from Sale<br>and Lease Back Transactions | 16,327,339,687           | (1,825,861,686)  | --  | 14,501,478,001             |
| Estimated Long-term Employee Benefits Liabilities                        | 8,136,790,871            | 1,067,348,623  | --  | 9,204,139,494              |
| Allowance for Impairment   | 2,965,626,608            | --   | --  | 2,965,626,608              |
| Depreciation   | (9,342,388,848)          | (1,159,520,219)  | --  | (10,501,909,067)           |
|  | 18,087,368,318           | (1,918,033,283)  | --  | 16,169,335,036             |
| <b>Subsidiaries</b>  | 58,367,244,335           | (24,173,051,049)   | --  | 34,194,193,287             |
| <b>Deferred Tax Assets</b>   | <u>76,454,612,653</u>    | <u>(26,091,084,331)</u>  | --  | <u>50,363,528,322</u>      |
| <b>Deferred Tax Liabilities</b>  | <u>6,653,250,000</u>     | --   | <u>5,329,854,371</u>                            | <u>11,983,104,371</u>      |
|  |                          |  |   |                            |
|  | January 1,<br>2012<br>Rp | Charged (Credited) to<br>Consolidated<br>Statements of<br>Comprehensive Income<br>Rp | Additions from<br>Business<br>Combination<br>Rp | December 31,<br>2012<br>Rp |
| <b>The Company</b>   |                          |  |   |                            |
| Amortization of Deferred Income from Sale<br>and Lease Back Transactions | 18,153,201,373           | (1,825,861,686)  | --  | 16,327,339,687             |
| Estimated Long-term Employee Benefits Liabilities                        | 6,886,898,085            | 1,249,892,786  | --  | 8,136,790,871              |
| Allowance for Impairment   | 2,965,626,608            | --   | --  | 2,965,626,608              |
| Depreciation   | (8,432,141,835)          | (910,247,013)  | --  | (9,342,388,848)            |
|  | 19,573,584,231           | (1,486,215,913)  | --  | 18,087,368,318             |
| <b>Subsidiaries</b>  | 57,907,408,068           | 459,836,267  | --  | 58,367,244,335             |
| <b>Deferred Tax Assets</b>   | <u>77,480,992,299</u>    | <u>(1,026,379,646)</u>   | --  | <u>76,454,612,653</u>      |
| <b>Deferred Tax Liabilities</b>  | --                       | --   | <u>6,653,250,000</u>                            | <u>6,653,250,000</u>       |

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

**c. Prepaid Taxes**

|                 | <b>2013</b>            | <b>2012</b>            |
|-----------------|------------------------|------------------------|
|                 | <b>Rp</b>              | <b>Rp</b>              |
| Income Taxes    |                        |                        |
| Article 4 (2)   | 382,267,883,122        | 235,817,814,312        |
| Article 22      | 260,743,240            | 587,969,915            |
| Article 25      | 8,556,225,332          | 6,960,555,520          |
| Value Added Tax | 184,968,606,737        | 86,789,618,527         |
| <b>Total</b>    | <b>576,053,458,431</b> | <b>330,155,958,274</b> |

**d. Taxes Payable**

|                          | <b>2013</b>            | <b>2012</b>            |
|--------------------------|------------------------|------------------------|
|                          | <b>Rp</b>              | <b>Rp</b>              |
| Income Taxes             |                        |                        |
| Final                    | 112,772,880,835        | 86,883,944,714         |
| Article 21               | 19,079,056,965         | 16,835,483,173         |
| Article 26               | 7,891,198,542          | 335,505,100            |
| Article 29               | 67,150,611,652         | 43,750,185,451         |
| Value Added Tax          | 41,907,332,951         | 47,511,028,869         |
| Hotel and Restaurant Tax | 4,188,942,866          | 607,121,645            |
| Entertainment Tax        | 607,121,643            | 3,154,889,156          |
| <b>Total</b>             | <b>253,597,145,454</b> | <b>199,078,158,108</b> |

The Company received Underpayment of Tax Assessment Letters (SKPKB) for Income Tax Article 23 and Income Tax Article 26 amounting to Rp16.7 billion and Rp73.2 billion, respectively, for fiscal year 2007. The Company objected for all SKPKBs.

On October 25, 2010, the Company received a Decision Letters No. KEP-1037/WPJ.07/2010 and No. KEP-1039/WPJ.07/2010 from the tax office which rejected the Company's objection to SKPKBs. The Company filed a tax appeal.

Based on Decision Letter No. Put.39604/PP/M.III/12/2012 and No. Put.39604/PP/M.III/13/2012 dated August 3, 2012, the Tax Court issued several decisions on the appeals by the Company to the Directorate General of Tax as follows:

- Granted the Company's appeal for SKPKB Income Tax Article 23 for the year of 2007 amounting to Rp16,732,920,154.
- Granted the Company's appeal for SKPKB Income Tax Article 26 for the year of 2007 amounting to Rp73,154,175,323.

On October 11, 2012 and October 15, 2012, the Company has received tax refund amounting to Rp89,887,095,477.

During 2013, PT Lippo Cikarang Tbk (LC), a subsidiary, received Tax Underpayment Assessment Letter (SKPKB) for the years 2011 and 2012, amounted to Rp6,826,074,972.

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**18. Trade Accounts Payable – Third Parties**

|              | 2013<br>Rp             | 2012<br>Rp             |
|--------------|------------------------|------------------------|
| Supplier     | 129,248,889,293        | 355,507,178,883        |
| Contractor   | 202,546,875,818        | 121,119,404,575        |
| Doctor Fee   | 63,239,958,115         | 66,150,580,103         |
| Others       | 2,712,454,382          | 32,924,103,900         |
| <b>Total</b> | <b>397,748,177,608</b> | <b>575,701,267,461</b> |

**19. Short-Term Bank Loans**

This account represents balance of local credit loan in PT Golden First Atlanta, a subsidiary, obtained from PT Bank Central Asia Tbk as of December 31, 2013 and 2012 (see Note 21).

**20. Other Current Financial Liabilities**

|                       | 2013<br>Rp             | 2012<br>Rp             |
|-----------------------|------------------------|------------------------|
| <b>Third Parties</b>  |                        |                        |
| Unidentified Payments | 147,810,774,447        | 89,907,922,121         |
| Other Payable         | 152,372,969,722        | 89,635,914,295         |
| <b>Total</b>          | <b>300,183,744,169</b> | <b>179,543,836,416</b> |

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

**21. Long-Term Bank Loans**

|  | 2013<br>Rp            | 2012<br>Rp            |
|--|-----------------------|-----------------------|
| <b>Third Parties</b>                     |                       |                       |
| Bank Pembangunan Daerah Kalimantan Timur | 35,301,525,492        | 40,035,765,926        |
| PT Bank Central Asia Tbk                 | 19,451,588,973        | 25,935,451,960        |
| Total                                    | 54,753,114,465        | 65,971,217,886        |
| Current Portion                          | 11,792,174,233        | 11,218,103,420        |
| <b>Non-Current Portion</b>               | <b>42,960,940,232</b> | <b>54,753,114,466</b> |

**Bank Pembangunan Daerah Kalimantan Timur**

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



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This facility is secured by collaterals as follows:

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

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

Loan payments for the current year amounted to Rp4,734,240,434.

**PT Bank Central Asia Tbk**

Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amended by Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S. H., a notary in Jambi and the latest by Credit Agreement No. 0134/ADD/119/IV/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.

Both facilities bear an annual interest rate of 11% and will mature on February 5, 2014 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:

- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary.
- Medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments.

Based on the loan agreement, GFA has to maintain maximum debt to equity ratio of 5.83 times. As of December 31, 2013 and 2012, GFA has complied with the required debt ratio.

Loan payments for the current year amounted to Rp6,483,862,987.

**22. Bonds Payable**

|  | <b>2013</b>              | <b>2012</b>              |
|--|--------------------------|--------------------------|
|  | <b>Rp</b>                | <b>Rp</b>                |
| Nominal (2013: USD 653,306,000; 2012: USD 642,535,000) | 7,963,146,834,000        | 6,213,313,450,000        |
| Premium - Net  | 104,241,327,497          | 56,504,998,004           |
| Bond Issuance Cost - Net                               | (319,548,553,605)        | (326,288,811,569)        |
| <b>Total</b>   | <b>7,747,839,607,892</b> | <b>5,943,529,636,435</b> |
| Premium (net of discount)                              | 120,884,407,499          | 70,049,479,998           |
| Less: Accumulated Amortization                         | (16,643,080,002)         | (13,544,481,994)         |
| <b>Unamortized Premium</b>                             | <b>104,241,327,497</b>   | <b>56,504,998,004</b>    |
| Bond Issuance Costs                                    | 367,743,400,091          | 363,491,007,676          |
| Less: Accumulated Amortization                         | (48,194,846,486)         | (37,202,196,107)         |
| <b>Unamortized Bond Issuance Cost</b>                  | <b>319,548,553,605</b>   | <b>326,288,811,569</b>   |

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The Company initiated several fund raising by issuing bonds to support the business of the Group.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD 250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity period and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD 183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD 270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD 125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will due on April 30, 2015. Payment of interest will be conducted every 6 months. As of December 31, 2012, accrued interest expense amounted to USD 1,417,606 (equivalent to Rp13,708,254,081).

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD 150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD 100,000,000 both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity period and will due on May 16, 2019. Payment of interest is conducted every 6 months. As of December 31, 2013 and 2012, accrued interest expense amounted to USD 2,138,889 and USD 2,259,908 (equivalent to Rp26,070,916,558 and Rp21,853,310,360), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, TC, a subsidiary, issued unsecured bonds with nominal value of USD 273,306,000 in exchange with bond of SC for a nominal value of USD 253,713,000 and paid USD 22,666,000. This bonds bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of December 31, 2013 and 2012, accrued interest expense amounted to USD 2,185,499 and USD 2,064,480 (equivalent to Rp26,639,047,677 and Rp19,963,520,730), respectively.

On January 14, 2013, TC, a subsidiary, issue unsecured bonds with a nominal value of USD 130,000,000 with a fixed interest rate of 6.125% per year and are listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and Payment of interest is conducted every 6 months. As of December 31, 2013 accrued interest expenses amounted to USD 1,039,549 (equivalent Rp12,671,058,007).

On April 30, 2013, SC, a subsidiary, had settled the entire balance of the unsecured bond amounting to USD 119,229,000 at a price of 104.5%.

Interest and borrowing costs capitalized into inventories amounting to Rp459,290,949,723 and Rp369,947,553,880 for the years ended December 31, 2013 and 2012 (see Note 6).

These bonds have been rated BB- by Standard & Poor's and Fitch and B1 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 39.d).

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**23. Long-Term Post-Employment Benefits Liability**

**Post-Employment Benefits – No Funding Defined Benefit Plan**

Group appointed independent actuaries to determine and recognize post-employment liability in accordance with the existing manpower regulations. Post-employment benefits liability as of December 31, 2013 was calculated by PT Mega Jasa Aktuaria with report dated February 17, 2014. Post-employment benefits liability as of December 31, 2012 was calculated by PT Mega Jasa Aktuaria and PT Dayamandiri Dharmakonsilindo with reports, respectively, dated February 1, 2013. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

Post-employment benefits recognized in the consolidated statements of financial position are as follows:

|   | <b>2013</b>            | <b>2012</b>            |
|---|------------------------|------------------------|
|   | <b>Rp</b>              | <b>Rp</b>              |
| Present Value of Defined Benefit Obligation | 181,367,280,459        | 201,016,264,584        |
| Unrecognized Actuarial Loss                 | (1,956,959,473)        | (38,149,032,370)       |
| Unrecognized Past Service Cost (Non-Vested) | (1,020,541,706)        | (1,533,249,479)        |
| Obligation from Acquired Subsidiary         | 5,156,240,000          | --                     |
| Adjustment                                  | 4,089,584,355          | --                     |
| <b>Total</b>                                | <b>187,635,603,635</b> | <b>161,333,982,735</b> |

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

|                                 | <b>2013</b>           | <b>2012</b>           |
|---------------------------------|-----------------------|-----------------------|
|                                 | <b>Rp</b>             | <b>Rp</b>             |
| Current Service Cost            | 26,735,963,631        | 30,229,708,612        |
| Interest Expense                | 11,645,304,320        | 10,034,995,031        |
| Past Service Cost (Non-Vested)  | 1,815,608,188         | 1,616,075,060         |
| Recognized Actuarial Loss       | (4,304,607,224)       | (1,371,572,550)       |
| Adjustment of Last Year Expense | --                    | 234,529,015           |
| <b>Total</b>                    | <b>35,892,268,915</b> | <b>40,743,735,168</b> |

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

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

|  | <b>2013</b>            | <b>2012</b>            |
|--|------------------------|------------------------|
|  | <b>Rp</b>              | <b>Rp</b>              |
| Balance on January 1                               | 161,333,982,735        | 143,171,484,230        |
| Payment of Employees' Benefits in the Current Year | (13,552,742,005)       | (9,353,997,281)        |
| Obligation from Acquired Subsidiary                | 5,156,240,000          | --                     |
| Company's Contribution                             | --                     | (14,030,251,954)       |
| Adjustment   | (1,194,146,010)        | 803,012,572            |
| Expense During the Year                            | 35,892,268,915         | 40,743,735,168         |
| <b>Balance on December 31,</b>                     | <b>187,635,603,635</b> | <b>161,333,982,735</b> |

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

|   | <b>2013</b>            | <b>2012</b>            |
|---|------------------------|------------------------|
|   | <b>Rp</b>              | <b>Rp</b>              |
| Present Value of Defined Benefits Obligation in January 1,          | 201,016,264,584        | 148,435,574,952        |
| Adjustment of Present Value of Previous Year                        | (6,927,906,313)        | --                     |
| Past Service Cost (Non-Vested)                                      | --                     | (13,409,610,768)       |
| Current Service Cost  | 26,735,963,631         | 30,229,708,612         |
| Interest Expense  | 11,645,303,320         | 10,034,995,031         |
| Benefits Payment  | (13,552,742,005)       | (9,353,997,281)        |
| Unrecognized Actuarial Gain (Loss)                                  | (37,549,602,758)       | 35,079,594,038         |
| <b>Present Value of Defined Benefits Obligation in December 31,</b> | <b>181,367,280,459</b> | <b>201,016,264,584</b> |

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

|  | <b>2013</b>            | <b>2012</b>            | <b>2011</b>            | <b>2010</b>            | <b>2009</b>            |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | <b>Rp</b>              | <b>Rp</b>              | <b>Rp</b>              | <b>Rp</b>              | <b>Rp</b>              |
| Present Value of Defined Benefit Liabilities | 181,367,280,459        | 201,016,264,584        | 148,435,574,952        | 119,920,794,970        | 112,089,553,025        |
| Asset Program                                | --                     | --                     | --                     | --                     | --                     |
| <b>Deficit of the Program</b>                | <b>181,367,280,459</b> | <b>201,016,264,584</b> | <b>148,435,574,952</b> | <b>119,920,794,970</b> | <b>112,089,553,025</b> |

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

|                                  | <b>2013</b>                                 | <b>2012</b>                                 |
|----------------------------------|---|---|
| Interest Rates                   | 8%  | 8%  |
| Salary Increase Projection Rates | 8%  | 8%  |
| Mortality Rates                  | Indonesia – II                              | Indonesia – II                              |
| Permanent Disability Rates       | 10% x TMI – II                              | 10% x TMI – II                              |
| Resignation Rates                | 1% for ages 18 – 44,<br>0% for ages 45 – 54 | 1% for ages 18 – 44,<br>0% for ages 45 – 54 |

**24. Advances from Customers**

|                                   | <b>2013</b>              | <b>2012</b>              |
|-----------------------------------|--------------------------|--------------------------|
|                                   | <b>Rp</b>                | <b>Rp</b>                |
| <b>Third Parties</b>              |                          |                          |
| Apartment                         | 1,898,052,607,885        | 1,574,320,252,270        |
| Residential Houses and Shophouses | 2,590,061,395,457        | 1,422,626,683,122        |
| Land Lots                         | 639,133,672,287          | 801,004,988,760          |
| Shopping Centers                  | 194,448,584,843          | 195,634,112,567          |
| <b>Total</b>                      | <b>5,321,696,260,472</b> | <b>3,993,586,036,719</b> |
| Current Portion                   | 3,076,033,864,066        | 1,850,726,035,076        |
| <b>Non-Current Portion</b>        | <b>2,245,662,396,406</b> | <b>2,142,860,001,643</b> |

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

|              | <u>2013</u><br>Rp               | <u>2012</u><br>Rp               |
|--------------|---------------------------------|---------------------------------|
| 100%         | 3,575,702,238,185               | 3,018,924,963,244               |
| 50% - 99%    | 354,101,231,886                 | 612,732,634,474                 |
| 20% - 49%    | 377,444,027,682                 | 218,273,422,038                 |
| Below 20%    | 1,014,448,762,719               | 143,655,016,963                 |
| <b>Total</b> | <b><u>5,321,696,260,472</u></b> | <b><u>3,993,586,036,719</u></b> |

**25. Deferred Income**

|                             | <u>2013</u><br>Rp             | <u>2012</u><br>Rp             |
|-----------------------------|-------------------------------|-------------------------------|
| <b>Related Party</b>        |                               |                               |
| Rent (see Notes 9 and 39.b) | 561,270,815,716               | 576,888,263,544               |
| <b>Third Parties</b>        |                               |                               |
| Rent                        | 242,487,812,199               | 148,589,134,911               |
| Others                      | 24,816,595,543                | 17,120,522,172                |
| Subtotal                    | <u>267,304,407,742</u>        | <u>165,709,657,083</u>        |
| Total Deferred Income       | 828,575,223,458               | 742,597,920,627               |
| Current Portion             | <u>112,750,964,416</u>        | <u>79,696,900,858</u>         |
| <b>Non-Current Portion</b>  | <b><u>715,824,259,042</u></b> | <b><u>662,901,019,769</u></b> |

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

|   | <u>2013</u><br>Rp               | <u>2012</u><br>Rp             |
|---|---------------------------------|-------------------------------|
| Acquisition Cost  | 791,727,059,928                 | 590,890,086,932               |
| Accumulated Depreciation  | 127,538,766,701                 | 127,538,766,701               |
| Carrying Value  | <u>664,188,293,227</u>          | <u>463,351,320,231</u>        |
| Proceeds  | 2,445,894,179,389               | 1,714,252,775,595             |
| Less: Gain Credited to the Consolidated<br>Comprehensive Income Statement | 70,196,779,840                  | 14,666,752,836                |
| Deferred Gain on Sale and Leaseback Transaction                           | 1,711,509,106,322               | 1,236,234,702,528             |
| Foreign Exchange Translation  | 112,523,813,862                 | 28,513,578,716                |
| Accumulated Amortization  | <u>(429,935,140,122)</u>        | <u>(320,893,545,117)</u>      |
| Deferred Gain on Sale and Leaseback - Net                                 | 1,394,097,780,062               | 943,854,736,127               |
| Current Portion   | <u>119,603,248,421</u>          | <u>84,727,362,523</u>         |
| <b>Non-Current Portion</b>  | <b><u>1,274,494,531,641</u></b> | <b><u>859,127,373,604</u></b> |

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

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**27. Capital Stock**

The Company stockholders' composition as of December 31, 2013 and 2012 is as follows:

| Stockholders               | Total<br>Shares       | Percentage<br>Ownership<br>% | Issued<br>and Fully Paid<br>Rp |
|----------------------------|-----------------------|------------------------------|--------------------------------|
| Pacific Asia Holdings Ltd  | 4,126,619,908         | 18.12                        | 412,661,990,800                |
| Others (less than 5% each) | 18,644,965,211        | 81.88                        | 1,864,496,521,100              |
| <b>Sub Total</b>           | <b>22,771,585,119</b> | <b>100.00</b>                | <b>2,277,158,511,900</b>       |
| <b>Treasury Stocks</b>     | <b>306,104,500</b>    |                              | <b>30,610,450,000</b>          |
| <b>Total</b>               | <b>23,077,689,619</b> |                              | <b>2,307,768,961,900</b>       |

The following is the reconciliation of the number of outstanding shares at the beginning and end of year:

|  | 2013<br>(shares)      | 2012<br>(shares)      |
|--|-----------------------|-----------------------|
| Outstanding shares on January 1          | 22,771,585,119        | 22,981,460,119        |
| Treasury Stocks                          | --                    | (209,875,000)         |
| <b>Outstanding shares on December 31</b> | <b>22,771,585,119</b> | <b>22,771,585,119</b> |

The details of the acquisition of treasury stock are as follows:

| Reporting<br>Period | No. Register Letter to Bapepam - LK        | Total<br>Shares    | Acquisition<br>Cost<br>(Rp) |
|---------------------|--|--------------------|-----------------------------|
| 2011                | 005/LK-COS/II/2012 Dated November 15, 2011 | 96,229,500         | 61,577,515,000              |
| 2012                | 175/LK-COS/VII/2012 Dated July 13, 2012    | 209,875,000        | 154,946,598,794             |
| <b>Total</b>        |  | <b>306,104,500</b> | <b>216,524,113,794</b>      |

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

|  | 2013<br>Rp               |
|--|--------------------------|
| Paid in Capital Excess of Par - Net  | 4,043,613,274,615        |
| Difference in Value from Restructuring Transactions<br>between Entities Under Common Control - Net | 19,535,347,265           |
| <b>Total</b>   | <b>4,063,148,621,880</b> |

**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  |

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|  | <u>Rp</u>                       |
|--|---------------------------------|
| 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<br>in Business Combination Exercised under Purchase Method | <u>91,701,282,075</u>           |
| Rights Issue III   |                                 |
| Paid in Capital Excess of Par - Net on Stock on Stock  | 1,946,492,065,800               |
| Stock Issuance Cost  | <u>(18,495,197,733)</u>         |
| Subtotal   | <u>1,927,996,868,067</u>        |
| 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  | <u>(605,800,000)</u>            |
| Subtotal   | <u>811,394,200,000</u>          |
| <b>Total Paid in Capital Excess of Par - Net</b>   | <b><u>4,043,613,274,615</u></b> |

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

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

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

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

|  | <u>Rp</u>                    |
|--|------------------------------|
| <b>Transaction Before Business Combination</b> |                              |
| Net Asset Value of PT Saptapersada Jagatnusa   | 322,884,648                  |
| Acquisition Cost                               | <u>(5,000,000,000)</u>       |
| Difference in Value                            | <u>(4,677,115,352)</u>       |
| <b>Transaction from Business Combination</b>   |                              |
| Net Asset Value of Siloam                      | 275,837,221,176              |
| Acquisition Cost                               | <u>(85,173,967,500)</u>      |
| Difference in Value                            | <u>190,663,253,676</u>       |
| 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                            | <u>159,677,075,500</u>       |
| Realization                                    | <u>(45,581,021,356)</u>      |
| Difference in Value, Net of Realization        | <u>114,096,054,144</u>       |
| <b>Net</b>                                     | <b><u>19,535,347,265</u></b> |

Difference in value from the restructuring transaction PT Saptapersada Jagatnusa (SPJN) was incurred during the Company's acquisition of SPJN in 2001.

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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. Other Equity Transactions**

**a. Difference in Transactions with Non-Controlling Interest**

In 2013, several subsidiaries, acquired ownership of PT Gowa Makassar Tourism Development Tbk (GMTD) of 3,400,000 shares or equivalent to 3.35% of the issued and fully paid shares of GMTD. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp5,645,114,201 was recorded as difference in transactions with non-controlling interest.

On 2 September 2013, PT Nilam Biru Bersinar, entitas anak, made disposal on its investment of 5,900,000 shares in PT Siloam International Hospitals Tbk (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 gain on disposal of investment in subsidiary.

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp45,889,312,357 was recorded as difference in transactions with non-controlling interest.

In 2012, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp7,525,000,000 was recorded as difference in transactions with non-controlling interest.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd from Mappletree LM Pte. Ltd., a third party, and thus the ownership of Peninsula increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp177,677,727,750 was recorded as difference in transactions with non-controlling interest.

The following is the calculation of the difference in transactions with non-controlling interest:

|   | 2013<br>Rp               | 2012<br>Rp               |
|---|--------------------------|--------------------------|
| Shares Acquired from Non Controlling Interest |                          |                          |
| Acquisition Cost                              | (298,683,642,857)        | (296,163,642,857)        |
| Net Asset Value of Acquired                   | 82,546,068,559           | 74,380,954,358           |
| Difference from Foreign Currency Translations | (21,105,562,928)         | (21,105,562,928)         |
| Sub total                                     | <b>(237,243,137,226)</b> | <b>(242,888,251,427)</b> |
| Shares Disposal to Non Controlling Interest   |                          |                          |
| Purchase Consideration                        | 53,100,000,000           | --                       |
| Net Assets Disposed                           | (1,630,631,317)          | --                       |
| Sub total                                     | 51,469,368,683           | --                       |
| <b>Total</b>                                  | <b>(185,773,768,543)</b> | <b>(242,888,251,427)</b> |



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**b. Difference in Equity Changes of Subsidiaries**

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.

**30. Cash Dividend and Reserved Fund**

Based on Deed of Extraordinary General Meeting of Stockholders No. 48 dated April 24, 2013 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp270 billion and increased the reserved fund amounting to Rp1 billion from retained earnings of 2012.

Based on Deed of Annual General Meeting of Stockholders No. 2 dated April 5, 2012 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 Rp177.5 billion and increased the reserved fund amounting to Rp1 billion from retained earnings of 2011.

**31. Other Comprehensive Income**

|  | <b>2013</b>            | <b>2012</b>            |
|--|------------------------|------------------------|
|  | <b>Rp</b>              | <b>Rp</b>              |
| Gain from Translations Financial Statements in Foreign Currency      | 552,703,272,840        | 60,134,221,651         |
| Gain on Changes in Fair Value of Available-for-Sale Financial Assets | 425,998,078,104        | 894,254,875,437        |
| <b>Total</b>   | <b>978,701,350,944</b> | <b>954,389,097,088</b> |

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

|   | <b>2013</b>            | <b>2012</b>            |
|---|------------------------|------------------------|
|   | <b>Rp</b>              | <b>Rp</b>              |
| <u>Investment in FREIT (see Note 5)</u>                                     |                        |                        |
| Bridgewater International Ltd   | 375,905,410,056        | 447,188,306,071        |
| Bowsprit Capital Corporation Ltd  | 70,913,125,198         | 64,467,009,632         |
| PT Menara Tirta Indah   | 70,252,338,760         | 57,694,769,690         |
| <u>Investment in LMIRT (see Note 5)</u>                                     |                        |                        |
| Bridgewater International Ltd   | (122,570,733,824)      | 249,830,662,375        |
| LMIRT Management Ltd  | 31,497,937,914         | 75,074,127,669         |
| <b>Gain on Changes in Fair Value of Available-for-Sale Financial Assets</b> | <b>425,998,078,104</b> | <b>894,254,875,437</b> |

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**32. Non-Controlling Interests**

Details of non-controlling interests in the equity of consolidated subsidiaries as of December 31, 2013 and 2012, are as follows:

|  | 2013<br>Rp               | 2012<br>Rp             |
|--|--------------------------|------------------------|
| PT Lippo Cikarang Tbk                    | 830,079,502,803          | 560,550,472,618        |
| PT Siloam International Hospitals Tbk    | 229,028,217,020          | --                     |
| PT Gowa Makassar Tourism Development Tbk | 137,102,308,674          | 107,761,270,457        |
| PT Dharma Sarana Nusa Pratama            | 61,090,568,186           | 37,027,712,625         |
| PT Wahana Usaha Makmur                   | 40,565,751,716           | 58,955,610,503         |
| PT Pelangi Cahaya Intan Makmur           | 18,908,852,885           | 17,840,270,249         |
| PT Metropolitan Permaisemesta            | 13,938,718,173           | 9,443,065,688          |
| Others (each below Rp 1 billion)         | 45,984,321,169           | 22,411,251,570         |
| <b>Total</b>                             | <b>1,376,698,240,626</b> | <b>813,989,653,710</b> |

**33. Revenues**

|  | 2013<br>Rp        | 2012<br>Rp        |
|--|-------------------|-------------------|
| Urban Development:                             |                   |                   |
| Land Lots                                      | 862,405,538,396   | 731,553,008,716   |
| Residential Houses and Shophouses              | 852,082,661,223   | 709,224,710,958   |
| Memorial Park                                  | 134,214,946,955   | 166,839,725,914   |
| Asset Enhancements                             | 29,716,061,016    | 19,262,594,065    |
| Others   | 5,288,128,634     | 731,364,917,779   |
| Sub Total                                      | 1,883,707,336,224 | 2,358,244,957,432 |
| Large Scale Integrated Development:            |                   |                   |
| Apartments                                     | 1,097,647,635,950 | 1,014,606,874,722 |
| Asset Enhancements                             | 25,147,592,566    | 31,549,821,351    |
| Sub Total                                      | 1,122,795,228,516 | 1,046,156,696,073 |
| Retail Malls:                                  |                   |                   |
| Asset Enhancements                             | 193,271,769,970   | 117,245,779,131   |
| Shopping Centres                               | 8,552,883,629     | 26,746,001,306    |
| Subtotal                                       | 201,824,653,599   | 143,991,780,437   |
| Healthcare:                                    |                   |                   |
| Inpatient Department                           |                   |                   |
| Drugs and Medical Supplies                     | 584,672,264,173   | 402,551,213,913   |
| Medical Support Services and Professional Fees | 557,491,595,635   | 400,301,613,801   |
| Ward Fees                                      | 199,932,759,295   | 136,165,709,933   |
| Hospital Facility                              | 72,130,669,241    | 45,968,214,995    |
| Administration Fees                            | 60,925,550,284    | 43,219,865,135    |
| Operating Theater                              | 38,176,762,084    | 25,831,931,415    |
| Delivery Fees                                  | 860,233,118       | 1,603,312,271     |
| Others   | 26,743,171,507    | 21,304,483,008    |

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|  | <b>2013</b>                     | <b>2012</b>                     |
|--|---------------------------------|---------------------------------|
|  | <b>Rp</b>                       | <b>Rp</b>                       |
| Outpatient Department                          |                                 |                                 |
| Medical Support Services and Professional Fees | 590,120,761,629                 | 439,214,832,259                 |
| Drugs and Medical Supplies                     | 298,529,196,482                 | 220,624,606,988                 |
| Registration Fees                              | 29,682,969,743                  | 22,481,988,088                  |
| Hospital Facility                              | 21,596,402,810                  | 14,837,292,741                  |
| Others   | 22,737,656,915                  | 13,977,457,616                  |
| Subtotal                                       | <u>2,503,599,992,916</u>        | <u>1,788,082,522,163</u>        |
| Hospitality and Infrastructure:                |                                 |                                 |
| Hotels and Restaurants                         | 312,743,171,033                 | 263,136,789,314                 |
| Town Management                                | 155,323,914,084                 | 126,271,277,241                 |
| Water and Sewage Treatment                     | 113,446,753,049                 | 92,689,306,206                  |
| Recreation and Sports                          | 61,136,773,634                  | 60,556,562,749                  |
| Others   | 14,839,940,795                  | 31,854,565,872                  |
| Subtotal                                       | <u>657,490,552,595</u>          | <u>574,508,501,382</u>          |
| Property and Portfolio Management:             |                                 |                                 |
| Management Fees                                | 296,796,672,889                 | 249,229,565,717                 |
| <b>Total Revenues</b>                          | <b><u>6,666,214,436,739</u></b> | <b><u>6,160,214,023,204</u></b> |

Management fees revenue represents revenue of shopping centers from management services and as manager of REIT. Revenue from asset enhancement represents revenue from rental of the Company's assets. There are no sales above 10% of net revenues for the year ended December 31, 2013 and Sales of PT Panca Permata Pejaten amounted to Rp731.364.917.779 to Lippo Malls Indonesia Retail Trust, is 11.87% of the consolidated net sales for the year ended December 31, 2012 (see Note 1.c).

**34. Cost of Sales**

|                                     | <b>2013</b>            | <b>2012</b>              |
|-------------------------------------|------------------------|--------------------------|
|                                     | <b>Rp</b>              | <b>Rp</b>                |
| Urban Development:                  |                        |                          |
| Residential Houses and Shophouses   | 438,825,984,182        | 416,335,577,492          |
| Land Lots                           | 350,988,649,691        | 308,178,214,666          |
| Memorial Park                       | 22,268,690,851         | 29,628,783,022           |
| Asset Enhancements                  | 22,069,287,193         | 745,299,708              |
| Others                              | 1,469,127,809          | 389,954,350,653          |
| Subtotal                            | <u>835,621,739,726</u> | <u>1,144,842,225,541</u> |
| Large Scale Integrated Development: |                        |                          |
| Apartments                          | 519,825,454,335        | 476,952,792,318          |
| Asset Enhancements                  | 15,404,837,946         | 19,770,548,506           |
| Subtotal                            | <u>535,230,292,281</u> | <u>496,723,340,824</u>   |
| Retail Malls:                       |                        |                          |
| Asset Enhancements                  | 585,721,722            | 5,304,044,492            |
| Shopping Centres                    | 2,209,281,444          | 8,309,022,210            |
| Sales Return of Shopping Centres    | --                     | (4,932,655,285)          |
| Subtotal                            | <u>2,795,003,166</u>   | <u>8,680,411,417</u>     |

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|   | 2013<br>Rp                      | 2012<br>Rp                      |
|---|---------------------------------|---------------------------------|
| Healthcare:                                       |                                 |                                 |
| Inpatient Department                              |                                 |                                 |
| Professional Fees, Salaries and Employee Benefits | 510,684,826,365                 | 395,954,128,978                 |
| Drugs and Medical Supplies                        | 371,705,835,179                 | 280,972,888,278                 |
| Depreciation                                      | 96,631,001,394                  | 57,286,209,082                  |
| Clinical Supplies                                 | 51,242,139,072                  | 36,973,906,620                  |
| Food and Beverages                                | 44,936,462,301                  | 26,302,409,797                  |
| Referral Fees                                     | 26,250,164,720                  | 12,843,250,230                  |
| Repair and Maintenance                            | 5,156,945,349                   | 5,648,447,777                   |
| Others  | 37,938,101,202                  | 17,330,327,887                  |
| Outpatient Department                             |                                 |                                 |
| Professional Fees, Salaries and Employee Benefits | 337,183,777,951                 | 272,787,817,492                 |
| Drugs and Medical Supplies                        | 249,571,199,360                 | 159,228,912,194                 |
| Depreciation                                      | 53,376,441,231                  | 31,100,012,885                  |
| Clinical Supplies                                 | 23,940,358,038                  | 27,254,684,779                  |
| Referral Fees                                     | 9,566,483,079                   | 6,242,220,706                   |
| Repair and Maintenance                            | 3,644,388,444                   | 3,353,644,758                   |
| Others  | 23,073,928,027                  | 9,989,144,433                   |
| Subtotal  | <u>1,844,902,051,712</u>        | <u>1,343,268,005,895</u>        |
| Hospitality and Infrastructure:                   |                                 |                                 |
| Town Management                                   | 105,457,745,911                 | 82,344,171,828                  |
| Hotels and Restaurants                            | 102,284,466,843                 | 87,845,336,944                  |
| Water and Sewage Treatment                        | 35,658,712,617                  | 34,232,147,881                  |
| Recreation and Sports                             | 19,348,013,593                  | 18,668,051,610                  |
| Others  | 18,608,221,733                  | 27,243,408,486                  |
| Subtotal  | <u>281,357,160,697</u>          | <u>250,333,116,749</u>          |
| Property and Portfolio Management:                |                                 |                                 |
| Management Fees                                   | 119,665,262,858                 | 95,420,369,801                  |
| <b>Total Cost of Sales</b>                        | <b><u>3,619,571,510,440</u></b> | <b><u>3,339,267,470,227</u></b> |

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

**35. Operating Expenses**

|                                    | 2013<br>Rp             | 2012<br>Rp             |
|------------------------------------|------------------------|------------------------|
| <b>Selling Expenses</b>            |                        |                        |
| Marketing and Advertising          | 200,565,774,870        | 303,562,421,382        |
| Management Fees                    | 55,593,945,917         | 15,816,612,706         |
| Salaries and Employee Benefits     | 54,808,606,150         | 62,218,434,808         |
| Repairs and Maintenance            | 25,993,339,754         | 30,119,962,464         |
| Depreciation (see Notes 11 and 12) | 18,595,264,747         | 14,964,742,869         |
| Office Supplies                    | 10,470,279,401         | 4,853,741,824          |
| Transportation and Accommodation   | 7,527,769,723          | 5,202,114,013          |
| Electricity and Water              | 5,335,713,741          | 4,383,113,178          |
| Rent - Net                         | 3,540,493,418          | 6,691,500,945          |
| Others                             | 11,024,935,738         | 6,855,105,749          |
| Sub Total                          | <u>393,456,123,459</u> | <u>454,667,749,938</u> |

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|   | <b>2013</b>                     | <b>2012</b>                     |
|---|---------------------------------|---------------------------------|
|   | <b>Rp</b>                       | <b>Rp</b>                       |
| <b><u>General and Administrative Expenses</u></b> |                                 |                                 |
| Salaries and Employee Benefits                    | 505,752,458,343                 | 363,692,290,505                 |
| Electricity and Water                             | 123,589,146,309                 | 88,917,717,969                  |
| Depreciation (see Note 12)                        | 114,291,899,833                 | 102,723,861,970                 |
| Transportation and Accommodation                  | 71,058,784,662                  | 47,438,565,392                  |
| Professional Fees                                 | 64,546,781,928                  | 54,421,076,557                  |
| Rent - Net  | 61,721,498,936                  | 95,083,457,885                  |
| Repairs and Maintenance                           | 40,766,369,458                  | 34,982,024,404                  |
| Office Supplies                                   | 38,515,470,733                  | 23,683,519,082                  |
| Communication                                     | 17,521,304,856                  | 12,422,123,039                  |
| Membership and Subscription Fees                  | 17,108,665,881                  | 9,366,831,356                   |
| Training and Seminar                              | 16,808,104,184                  | 8,871,591,678                   |
| Insurance   | 9,324,001,000                   | 8,797,693,691                   |
| Others  | 59,770,593,235                  | 38,870,193,431                  |
| Sub Total   | <u>1,140,775,079,358</u>        | <u>889,270,946,959</u>          |
| <b>Total Operating Expenses</b>                   | <b><u>1,534,231,202,817</u></b> | <b><u>1,343,938,696,897</u></b> |

**36. Financial Income (Charges) - Net**

|   | <b>2013</b>                    | <b>2012</b>                 |
|---|--------------------------------|-----------------------------|
|   | <b>Rp</b>                      | <b>Rp</b>                   |
| Interest Income                         | 93,717,333,882                 | 81,486,812,047              |
| Financial Charges                       | (113,508,653,324)              | (71,267,551,415)            |
| Interest Expense                        | (6,920,410,262)                | (8,586,532,716)             |
| <b>Financial Income (Charges) - Net</b> | <b><u>(26,711,729,704)</u></b> | <b><u>1,632,727,916</u></b> |

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 3 and 8), while interest expense represents interest on loans (see Notes 19, 21 and 22).

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

|  | <b>2013</b>                   | <b>2012</b>                   |
|--|-------------------------------|-------------------------------|
|  | <b>Rp</b>                     | <b>Rp</b>                     |
| <b>Other Income</b>                              |                               |                               |
| Dividend Income                                  | 195,033,830,606               | 129,803,588,315               |
| Increase in Fair Value of Derivative Instruments | 295,913,516,562               | --                            |
| Penalties  | 20,818,774,443                | --                            |
| Gain on Foreign Exchange - Net                   | --                            | 107,990,516,101               |
| Gain on Sale of Property and Equipment           | 55,530,027,004                | 516,518,989                   |
| Gain on Sale and Leaseback                       | 17,794,458,980                | 8,716,829,167                 |
| <b>Total Other Income</b>                        | <b><u>585,090,607,595</u></b> | <b><u>247,027,452,572</u></b> |

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|                                | 2013<br>Rp             | 2012<br>Rp             |
|--------------------------------|------------------------|------------------------|
| <b>Other Expenses</b>          |                        |                        |
| Amortization Expense           | 50,512,803,804         | 119,535,372,546        |
| Loss on Foreign Exchange - Net | 33,016,385,991         | --                     |
| Others - Net                   | 70,952,792,304         | 55,306,692,399         |
| <b>Total Other Expenses</b>    | <b>154,481,982,099</b> | <b>174,842,064,945</b> |

**Dividend Income**

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

**38. Basic Earnings Per Share**

The calculation of basic earnings per share is as follows:

|   | 2013              | 2012              |
|---|-------------------|-------------------|
| Profit for the Years Attributable to Owners<br>of the Parent Company (Rupiah) | 1,228,230,222,876 | 1,060,221,934,429 |
| Weighted Average Number of Common Stocks (Share)                              | 22,771,585,119    | 22,812,143,338    |
| Basic Earnings per Share (Rupiah)   | 53.94             | 46.48             |

**39. Commitments**

**a. Operational and Management Agreement**

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.
- On April 9, 2006, PT Lippo Malls Indonesia (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the years ended December 31, 2013 and 2012 amounted to Rp65.2 billion and Rp71.3 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 December 31, 2013 and 2012 total outstanding commitment amounted to Rp969 billion and Rp1,631 billion, respectively. Several of unrealized significant contracts as of December 31, 2013 are as follows:

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| Subsidiaries              | Contractor                             | Contract Value<br>(Rp billion) | Unrealized Contract Value<br>(Rp billion) |
|---------------------------|--|--------------------------------|---|
| PT Mandiri Cipta Gemilang | PT Pembangunan Perumahan (Persero) Tbk | 630                            | 239                                       |
| PT Lippo Cikarang Tbk     | Trilogi Suryawisesa                    | 597                            | 99  |
| PT Mandiri Cipta Gemilang | PT Utama Karya (Persero)               | 459                            | 47  |
| PT Lippo Cikarang Tbk     | PT Pembangunan Perumahan (Persero) Tbk | 210                            | 176                                       |
| PT Lippo Cikarang Tbk     | Lampiri - Tsw Jo                       | 203                            | 101                                       |
| PT Mandiri Cipta Gemilang | PT Pangkal Multikarya                  | 75                             | 41  |
| PT Lippo Cikarang Tbk     | Karta Jaya Sentosa                     | 58                             | 32  |
|                           |  | <u>3,079</u>                   | <u>969</u>                                |

**b. Rental Agreements**

- Based on Deed of Lease Agreement No. 6 dated November 12, 2008 which was made in the presence of Julijanti Sundjaja, S.H., a notary in Tangerang, PT Mandiri Cipta Gemilang (MCG), a subsidiary, entered into a lease agreement with PT Matahari Putra Prima Tbk (MPPA) for a period of 20 years starting from the opening date of St. Moritz with a total rental income of Rp324,259,600,000.

Based on the amendment of the lease agreement on December 2010, due to the delay of the handover of the store until June 2013, MCG has to pay compensation for additional 5 year lease term and promotion allowance for the opening of the store amounting to Rp9.700.000.000. Up to December 31, 2013, the store has not opened yet.

- Based on Deeds of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono, S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which are owned 100% directly by Lovage International Pte. Ltd., Henley Investments Pte. Ltd., Primerich Investment Pte. Ltd. and Got Pte. Ltd., whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 26).

Rental expense of sale and lease-back transaction for the years ended December 31, 2013 and 2012 amounted to Rp158,725,493,560 and Rp159,933,500,044, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No. 146/2010, PT East Jakarta Medika (EJM), a subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First REIT at the selling price of SGD 33,333,333 and leased back the Property.

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Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, EJM, which received novation from the Company on October 10, 2011, entered into a lease agreement with GPS for 15 years. Based on the agreement, EJM shall pay rental fee which consist base rent and variable rent. Base rent was determined in the first year and will be adjusted subsequently, while variable rent will be commenced in the second year based on certain percentage of gross revenue. Rental expense will be paid quarterly. Any late payment will be subject to 2% penalty plus average lending rate of 3 banks in Singapore.

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

Rental expense of sale and lease-back transaction for the years ended December 31, 2013 and 2012 amounted to Rp26,646,286,592 and Rp22,333,390,630, respectively.

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

Rental expense for the years ended December 31, 2013 and 2012 amounted to Rp128,667,577,185 and Rp125,816,977,103, respectively.

- On January 7, 2012, PT Siloam International Hospitals Tbk (SIH) entered into a lease agreement of building of Siloam Hospital Palembang (Siloam Sriwijaya) with PT Palembangparagon Mall (PM). This agreement is valid for 10 years since the grand opening of the hospital and include a rental free period (grace period) for 3 (three) months after the grand opening of the hospital.

Based on the agreement, Siloam Sriwijaya shall pay a rental fee amounted to Rp3 billion and increase by Rp500 million in every three years, which will be paid in advance for each period, not later than 10 (ten) day of 1 (first) month of lease period.

On October 5, 2012, PM entered into transfer of property ownership agreement with PT Karya Pratama Bisma, thus, Siloam Sriwijaya accept the novation of lease ownership. This Agreement does not change the terms of the previous lease agreement. For the years ended December 31, 2013, rent expense paid is nil.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of "Hotel Aryaduta and Rumah Sakit Siloam Manado" for 15 years. The Company shall pay certain amount as stipulated in the agreement.

Rental expense for the years ended December 31, 2013 and 2012 amounted to Rp58,800,000,000 and Rp1,814,400,000, respectively.

- Based on the Deed of Sale and Purchase Agreement No. 091/2012, dated November 30, 2012, made in the presences of Maria Josefina Grace Kawi Tandiar S.H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (the property) to PT Bayutama Sukses (BS), where BS is a subsidiary owned 100% by First 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.



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Sale and lease-back transaction above meets the classification of an operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 26).

Rental expense of sale and lease-back transaction above for the years ended December 31, 2013 and 2012 amounted to Rp40,250,000,000 and Rp1,242,000,000, respectively.

- Based on Deed of Sale and Purchase Agreement Nos. 25/2013, 26/2013, 27/2013, 28/2013, 29/2013, 30/2013, and 31/2013 which are all dated May 13, 2013, made in the presence of Ambo Enre, S.H., a notary in Badung, PT Buana Mandiri Selaras (BMS), a subsidiary, sold the land and buildings of Siloam Hospitals Bali (the property) to PT Dasa Graha Jaya (DGJ), where DGJ is a subsidiary owned 100% by First REIT. The selling price of the property amounted to Rp731,641,420,610 and the property is leased back.

Based on lease agreement made by Allen & Gledhill Advocates & Solicitors dated March 26, 2013, the Company entered into a lease agreement for 15 years. The Company will pay a certain amount as stipulated in the agreement.

Sale and lease back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 26).

Rental expense of sale and lease-back transaction for the year ended December 31, 2013 amounted to Rp47,805,521,739.

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

Rental expense of sale and lease-back transaction above for the year ended December 31, 2013 amounted to Rp43,964,869,565.

**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 of U.S. Dollar**

- On June 7, 2010, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 60,000,000, with spread between Rp8,250; Rp9,000 and Rp12,000 with an annual premium rate of 1.5% from notional amount. On November 1, 2012, the Company terminate (unwind) this facility.

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- On July 5 and September 2, 2010, the Company entered into Non-Deliverable USD Call Spread Option facilities with Morgan Stanley & Co amounting to USD 50,000,000 with spread between Rp8,500; Rp9,000 and Rp12,000 and USD 4,600,000 with spread between Rp8,000; Rp9,000 and Rp11,500 with an annual premium rate of 1.78% and 2%, respectively, from notional amount. On January 30, 2013, the Company terminate (unwind) this facility.
- On September 7, 2010, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 25,000,000 with spread between Rp8,000; Rp9,000 and Rp11,500 with an annual premium rate of 1.95% from notional amount. On November 1, 2012, the Company terminate (unwind) this facility.
- On April 5, 2011, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co amounting to USD 40,000,000 with spread between Rp8,500; Rp9,200 and Rp11,500 with an annual premium rate of 1.95% from notional amount. On January 30, 2013, the Company terminate (unwind) this facility.
- On April 12, 2011, 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 Rp8,000; Rp9,200 and Rp11,500 with an annual premium rate of 1.97% from notional amount. On October 29, 2012, the Company terminate (unwind) this facility.
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 5,156,194.20 (equivalent Rp62,848,851,104).
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 3,811,507.70 (equivalent Rp46,458,467,356).
- 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 USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.18% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 2,610,369.57 (equivalent Rp31,817,794,689).
- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, United Kingdom branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.125% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 2,615,748.32 (equivalent Rp31,883,356,273).
- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 115,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of December 31, 2013, the fair value of this facility amounted to USD 13,061,070.99 (equivalent Rp159,201,394,297).

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- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 140,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2013, the fair value of this facility amounted to USD 13,722,055.85 (equivalent Rp167,258,138,756).
- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, United Kingdom branch, amounting to USD 21,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.685% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2013, the fair value of this facility amounted to USD 2,119,214.73 (equivalent Rp25,831,108,344).
- On January 15, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, United Kingdom branch, amounting to USD 97,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 0.525% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2013, the fair value of this facility amounted to USD 10,593,199.17 (equivalent Rp129,120,504,683).
- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, United Kingdom branch, amounting to USD 50,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.440% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 4,553,774.65 (equivalent Rp55,505,959,209).
- On January 25, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 30,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.075% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of December 31, 2013, the fair value of this facility amounted to USD 2,808,181.85 (equivalent Rp34,228,928,570).
- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.429% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 2,342,508.02 (equivalent Rp28,552,830,256).
- On January 28, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 25,000,000 for spread between Rp9,500 and Rp11,500 with an annual premium rate of 1.450% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this facility amounted to USD 1,701,361.50 (equivalent Rp20,737,895,324).
- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 2,363,852.40 (equivalent Rp28,812,996,904).

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- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas Singapore branch, amounting to USD 100,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.80% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 4,856,794.70 (equivalent Rp59,199,470,598).
- On September 26, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, British branch, amounting to USD 50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 1,696,887.89 (equivalent Rp20,683,366,491).
- On September 27, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 50,000,000 for spread option between Rp11,500 and Rp12,500 with an annual premium rate between 0.83% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 2,062,642.62 (equivalent Rp25,141,550,895).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 75,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 2,655,421.74 (equivalent Rp32,366,935,589).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas Singapore branch, amounting to USD 63,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 2,312,604.66 (equivalent Rp28,188,338,201).
- On October 1, 2013, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, British branch, amounting to USD 75,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 1,450,308.57 (equivalent Rp17,677,811,160).
- 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 USD 140,000,000 for spread option between Rp11,500 and Rp12,500 with an annual premium rate between 0.695% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 5,574,797.14 (equivalent Rp67,951,202,339).
- 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 USD 50,000,000 for spread between Rp11,500 and Rp12,500 with an annual premium rate between 0.70% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on Nopember 16, 2020. As of December 31, 2013, the fair value of this derivative instruments amounted to USD 1,303,785.74 (equivalent Rp15,891,844,385).

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**e. Bank Loan Facility Agreement**

- Based on Deed of Loan Agreement No. 86 dated October 20, 2010 made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, and has been renewed several times and the latest on December 18, 2013 through the extension of credit agreement No: 144/ICBC-MK/PTD1/X/2011/P3 . PT Lippo Cikarang Tbk, a subsidiary, obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia amounted maximum of Rp30,000,000,000 at the rate of 11.5% per year. This loan can be used for working capital purposes and will mature on October 25, 2014.

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

- Based on Deed of Loan Agreement No. 85 dated October 25, 2012 made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, through the extension of credit agreement No: 143/ICBC-MK/PTD/X/2011/P3. The Company obtained Fixed Loan facility on Demand from PT Bank ICBC Indonesia amounted maximum of Rp70,000,000,000 at the rate of 11.5% per year. This loan can be used for working capital purposes and will mature on October 25, 2014.
- Based on Deed of Loan Agreement No. 34 date October 30, 2006 and No. 44 date March 29, 2007 made in the presence of H. Zamri, S.H., a notary in Jakarta, through the extension of credit agreement Nos: (7) 44 and (8) 34, date November 27, 2013, the Company obtained Working Capital Loan from PT Bank Negara Indonesia (Persero) Tbk amounted maximum of Rp20,000,000,000 and Rp250,000,000,000 at the rate of 10.75% and 10.75% per year, respectively. This loan will mature on June 12, 2014.

The loan is secured by vacant land of 21,940 sqm in Lippo Village Housing, Jl. Boulevard Jend. Sudirman, Kelapa Dua village, Curug Subdistrict, Tangerang District, Banten Province, with the following details:

1. SHGB No. 3695 for land of 340 sqm dated on January 9, 1998 (certificate will mature on January 9, 2028), in the name of the Company.
2. SHGB No. 2866 for land of 15,235 sqm dated on April 4, 1997 (certificate will mature on September 24, 2022), in the name of the Company.
3. SHGB No. 4028 for land of 6,365 sqm dated on August 6, 1998 (certificate will mature on August 6, 2028), in the name of the Company.

**40. Segment Information**

|                                     | 2013 (In Thousand Rupiah) |  |                    |                   |   |                                      |              | Consolidated<br>Rp   |
|-------------------------------------|---------------------------|--|--------------------|-------------------|---|--------------------------------------|--------------|----------------------|
|                                     | Urban<br>Development      | Large Scale<br>Integrated<br>Development | Retail<br>Malls    | Healthcare        | Property and<br>Portfolio<br>Management | Hospitality<br>and<br>Infrastructure | Elimination  |                      |
|                                     | Rp                        | Rp                                       | Rp                 | Rp                | Rp                                      | Rp                                   |              |                      |
| Revenues                            | 1,896,918,510             | 1,122,795,229                            | 201,824,654        | 2,503,599,993     | 296,796,673                             | 657,490,553                          | (13,211,175) | 6,666,214,437        |
| Gross Profit                        | 1,061,296,772             | 587,564,936                              | 199,029,650        | 658,697,941       | 177,131,410                             | 376,133,392                          | (13,211,175) | 3,046,642,926        |
| Selling Expenses                    | (179,925,521)             | (72,604,598)                             | (58,412,914)       | (25,749,454)      | (1,698,380)                             | (9,086,947)                          | 13,211,175   | (334,266,639)        |
| General and Administrative Expenses | (351,231,316)             | (40,952,349)                             | (12,396,741)       | (557,015,511)     | (98,940,891)                            | (139,427,756)                        | --           | (1,199,964,564)      |
| Interest Income                     | 67,652,706                | 6,379,030                                | 1,380,819          | 12,021,434        | 5,403,439                               | 879,906                              | --           | 93,717,334           |
| Interest Expenses                   | (79,046,283)              | (14,654,324)                             | (161,888)          | (18,945,083)      | (4,525,265)                             | (3,096,221)                          | --           | (120,429,064)        |
| Other Income (Expenses) - Net       | 371,678,765               | 27,511,124                               | 31,516,033         | 2,751,821         | 25,591,788                              | (28,440,906)                         | --           | 430,608,625          |
| Share in the Profit of Associates   | (16,871,528)              | --                                       | --                 | --                | --                                      | 25,393,136                           | --           | 8,521,608            |
| <b>Profit Before Tax</b>            | <b>873,553,595</b>        | <b>493,243,819</b>                       | <b>160,954,959</b> | <b>71,761,148</b> | <b>102,962,101</b>                      | <b>222,354,604</b>                   | <b>--</b>    | <b>1,924,830,227</b> |
| Tax Benefit (Expense)               |                           |  |                    |                   |   |                                      |              |                      |
| Current                             | (179,575,202)             | (57,397,141)                             | (18,407,151)       | (24,241,975)      | (17,546,085)                            | (9,080,374)                          | --           | (306,247,928)        |
| Deferred                            | (19,947,474)              | --                                       | --                 | 2,673,314         | (848,426)                               | (7,968,498)                          | --           | (26,091,084)         |
| <b>Profit for the Year</b>          | <b>674,030,919</b>        | <b>435,846,678</b>                       | <b>142,547,808</b> | <b>50,192,487</b> | <b>84,567,590</b>                       | <b>205,305,732</b>                   | <b>--</b>    | <b>1,592,491,215</b> |

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|  | 2013 (In Thousand Rupiah) |  |                      |                      |   |                                      |             | Consolidated<br>Rp    |
|--|---------------------------|--|----------------------|----------------------|---|--------------------------------------|-------------|-----------------------|
|  | Urban<br>Development      | Large Scale<br>Integrated<br>Development | Retail<br>Malls      | Healthcare           | Property and<br>Portfolio<br>Management | Hospitality<br>and<br>Infrastructure | Elimination |                       |
|  | Rp                        | Rp                                       | Rp                   | Rp                   | Rp                                      | Rp                                   |             |                       |
| <b>Profit for the year attributable to:</b>          |                           |  |                      |                      |   |                                      |             |                       |
| Owner of the Parent Company                          | 332,690,777               | 415,499,510                              | 140,296,128          | 49,870,419           | 84,567,656                              | 205,305,732                          | --          | 1,228,230,223         |
| Non-Controlling Interest                             | 341,340,142               | 20,347,168                               | 2,251,680            | 322,068              | (66)                                    | --                                   | --          | 364,260,992           |
|  | <b>674,030,919</b>        | <b>435,846,678</b>                       | <b>142,547,808</b>   | <b>50,192,487</b>    | <b>84,567,590</b>                       | <b>205,305,732</b>                   | <b>--</b>   | <b>1,592,491,215</b>  |
| Segment Assets                                       | 18,798,771,510            | 6,043,948,352                            | 1,646,525,780        | 2,600,774,537        | 1,418,771,303                           | 661,139,452                          | --          | 31,169,930,934        |
| Investment in Associates                             | 128,842,950               | --                                       | --                   | --                   | --                                      | 1,588,546                            | --          | 130,431,496           |
| <b>Total Assets</b>                                  | <b>18,927,614,460</b>     | <b>6,043,948,352</b>                     | <b>1,646,525,780</b> | <b>2,600,774,537</b> | <b>1,418,771,303</b>                    | <b>662,727,998</b>                   | <b>--</b>   | <b>31,300,362,430</b> |
| <b>Segment Liabilities</b>                           | <b>12,568,111,643</b>     | <b>2,988,954,758</b>                     | <b>391,031,818</b>   | <b>961,782,758</b>   | <b>62,382,436</b>                       | <b>150,525,712</b>                   | <b>--</b>   | <b>17,122,789,125</b> |
| <b>Capital Expenditures</b>                          | 741,426,016               | 124,066,610                              | 25,681,730           | 385,554,742          | 33,516,603                              | 1,040,703                            | --          | 1,311,286,404         |
| <b>Depreciation</b>                                  | 42,077,226                | 5,634,142                                | 1,776,257            | 202,488,689          | 34,976,489                              | 1,643,178                            | --          | 288,595,981           |
| <b>Non-Cash Expenses Other than<br/>Depreciation</b> | 22,548,599                | 35,227                                   | --                   | 35,004,609           | 26,080,297                              | 2,736,341                            | --          | 86,405,073            |

|  | 2012 (In Thousand Rupiah) |  |                      |                      |   |                                      |             | Consolidated<br>Rp    |
|--|---------------------------|--|----------------------|----------------------|---|--------------------------------------|-------------|-----------------------|
|  | Urban<br>Development      | Large Scale<br>Integrated<br>Development | Retail<br>Malls      | Healthcare           | Property and<br>Portfolio<br>Management | Hospitality<br>and<br>Infrastructure | Elimination |                       |
|  | Rp                        | Rp                                       | Rp                   | Rp                   | Rp                                      | Rp                                   |             |                       |
| Revenues   | 2,358,254,614             | 1,046,156,696                            | 143,991,780          | 1,788,082,522        | 249,229,566                             | 574,508,501                          | (9,656)     | 6,160,214,023         |
| Gross Profit   | 1,213,412,388             | 549,433,355                              | 135,311,369          | 444,814,516          | 153,809,196                             | 324,175,385                          | (9,656)     | 2,820,946,553         |
| Selling Expenses                                     | (153,493,835)             | (224,972,700)                            | (51,362,440)         | (15,969,821)         | (1,479,678)                             | (7,398,932)                          | 9,656       | (454,667,750)         |
| General and Administrative Expenses                  | (260,251,707)             | (35,419,968)                             | (22,260,886)         | (351,893,198)        | (79,944,118)                            | (139,501,070)                        | --          | (889,270,947)         |
| Interest Income                                      | 72,474,141                | 3,842,961                                | 431,506              | 3,578,943            | 310,821                                 | 848,440                              | --          | 81,486,812            |
| Interest Expenses                                    | (46,482,674)              | (12,556,998)                             | (106,086)            | (18,025,499)         | (21,371)                                | (2,661,456)                          | --          | (79,854,084)          |
| Other Income (Expenses) - Net                        | 75,128,219                | (4,589,524)                              | (17,348,345)         | 14,516,641           | 25,433,768                              | (20,955,370)                         | --          | 72,185,388            |
| Share in the Profit of Associates                    | 4,978,020                 | --                                       | --                   | --                   | --                                      | 21,284,295                           | --          | 26,262,315            |
| <b>Profit Before Tax</b>                             | <b>905,764,552</b>        | <b>275,737,126</b>                       | <b>44,665,118</b>    | <b>77,021,582</b>    | <b>98,108,618</b>                       | <b>175,791,292</b>                   | <b>--</b>   | <b>1,577,088,287</b>  |
| Tax Benefit (Expense)                                |                           |  |                      |                      |   |                                      |             |                       |
| Current  | (139,821,540)             | (53,885,326)                             | (11,491,416)         | (24,117,756)         | (15,170,858)                            | (8,727,992)                          | --          | (253,214,888)         |
| Deferred   | (2,362,669)               | --                                       | --                   | (944,223)            | 2,312,480                               | (31,969)                             | --          | (1,026,380)           |
| <b>Profit for the Year</b>                           | <b>763,580,343</b>        | <b>221,851,800</b>                       | <b>33,173,702</b>    | <b>51,959,603</b>    | <b>85,250,240</b>                       | <b>167,031,331</b>                   | <b>--</b>   | <b>1,322,847,019</b>  |
| <b>Profit for the year attributable to:</b>          |                           |  |                      |                      |   |                                      |             |                       |
| Owner of the Parent Company                          | 520,088,578               | 212,439,596                              | 32,184,716           | 50,461,222           | 78,016,491                              | 167,031,331                          | --          | 1,060,221,934         |
| Non-Controlling Interest                             | 243,491,765               | 9,412,204                                | 988,986              | 1,498,381            | 7,233,749                               | --                                   | --          | 262,625,085           |
|  | <b>763,580,343</b>        | <b>221,851,800</b>                       | <b>33,173,702</b>    | <b>51,959,603</b>    | <b>85,250,240</b>                       | <b>167,031,331</b>                   | <b>--</b>   | <b>1,322,847,019</b>  |
| Segment Assets                                       | 15,426,681,096            | 4,746,870,463                            | 1,340,183,586        | 1,586,226,018        | 1,033,935,865                           | 649,615,066                          | --          | 24,783,512,094        |
| Investment in Associates                             | 85,780,659                | --                                       | --                   | --                   | --                                      | 2,980                                | --          | 85,783,639            |
| <b>Total Assets</b>                                  | <b>15,512,461,755</b>     | <b>4,746,870,463</b>                     | <b>1,340,183,586</b> | <b>1,586,226,018</b> | <b>1,033,935,865</b>                    | <b>649,618,046</b>                   | <b>--</b>   | <b>24,869,295,733</b> |
| <b>Segment Liabilities</b>                           | <b>8,854,012,310</b>      | <b>2,505,243,218</b>                     | <b>495,560,360</b>   | <b>1,341,585,220</b> | <b>125,885,728</b>                      | <b>76,902,507</b>                    | <b>--</b>   | <b>13,399,189,343</b> |
| <b>Capital Expenditures</b>                          | 504,652,574               | 45,413,343                               | 7,122,278            | 394,108,464          | --                                      | 416,374                              | --          | 951,713,033           |
| <b>Depreciation</b>                                  | 30,435,036                | 5,636,252                                | 1,226,007            | 120,307,583          | 1,383,197                               | 50,288,166                           | --          | 209,276,241           |
| <b>Non-Cash Expenses Other than<br/>Depreciation</b> | 94,742,921                | 3,096,758                                | --                   | 21,695,694           | --                                      | --                                   | --          | 119,535,373           |

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

|                                    | 2013                 |                |                   |               |                | Equivalent in<br>Rupiah    |
|------------------------------------|----------------------|----------------|-------------------|---------------|----------------|----------------------------|
|                                    | Foreign Currencies   |                |                   |               |                |                            |
|                                    | USD                  | JPY            | SGD               | EUR           | AUD            |                            |
| <b>Assets</b>                      |                      |                |                   |               |                |                            |
| Cash and Cash Equivalents          | 12,863,184           | 113,800        | 22,610,315        | 23,173        | 168,145        | 376,713,194,300            |
| Trade Accounts Receivable          | 3,381,652            | --             | 5,704,505         | --            | --             | 96,141,930,368             |
| Other Current Financial Assets     | 49,950               | --             | 5,813,685         | --            | --             | 56,582,999,730             |
| <b>Total Assets</b>                | <b>16,294,786</b>    | <b>113,800</b> | <b>34,128,505</b> | <b>23,173</b> | <b>168,145</b> | <b>529,438,124,398</b>     |
| <b>Liabilities</b>                 |                      |                |                   |               |                |                            |
| Trade Accounts Payable             | --                   | --             | 3,516,878         | --            | --             | 33,860,501,384             |
| Accrued Expenses                   | 1,373,082            | --             | 780,424           | --            | --             | 24,250,418,770             |
| Bonds Payable                      | 653,306,000          | --             | --                | --            | --             | 7,963,146,834,000          |
| <b>Total Liabilities</b>           | <b>654,679,082</b>   | <b>--</b>      | <b>4,297,302</b>  | <b>--</b>     | <b>--</b>      | <b>8,021,257,754,154</b>   |
| <b>Net Assets (Liabilities)</b>    | <b>(638,384,296)</b> | <b>113,800</b> | <b>29,831,203</b> | <b>23,173</b> | <b>168,145</b> | <b>(7,491,819,629,756)</b> |
|                                    |                      |                |                   |               |                |                            |
|                                    | 2012                 |                |                   |               |                |                            |
|                                    | Foreign Currencies   |                |                   |               |                |                            |
|                                    | USD                  | JPY            | SGD               | EUR           | AUD            | Equivalent in<br>Rupiah    |
| <b>Assets</b>                      |                      |                |                   |               |                |                            |
| Cash and Cash Equivalents          | 5,977,148            | 113,800        | 7,306,380         | 9,836         | 6,376          | 438,301,058,054            |
| Trade Accounts Receivable          | 3,091,364            | --             | 8,546,257         | --            | --             | 97,468,745,402             |
| Other Current Financial Assets     | --                   | --             | 7,007,601         | --            | --             | 55,409,100,000             |
| Other Non-Current Financial Assets | --                   | --             | 4,943,353         | --            | --             | 39,087,088,455             |
| <b>Total Assets</b>                | <b>9,068,512</b>     | <b>113,800</b> | <b>27,803,591</b> | <b>9,836</b>  | <b>6,376</b>   | <b>630,265,991,911</b>     |
| <b>Liabilities</b>                 |                      |                |                   |               |                |                            |
| Trade Accounts Payable             | --                   | --             | 340,888           | --            | --             | 2,695,401,416              |
| Accrued Expenses                   | 5,741,994            | --             | 1,878,791         | --            | --             | 70,380,688,375             |
| Bonds Payable                      | 642,535,000          | --             | --                | --            | --             | 6,213,313,450,000          |
| <b>Total Liabilities</b>           | <b>648,276,994</b>   | <b>--</b>      | <b>2,219,679</b>  | <b>--</b>     | <b>--</b>      | <b>6,286,389,539,791</b>   |
| <b>Net Assets (Liabilities)</b>    | <b>(639,208,482)</b> | <b>113,800</b> | <b>25,583,912</b> | <b>9,836</b>  | <b>6,376</b>   | <b>(5,656,123,547,880)</b> |

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 39.d).

**42. 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 Relaa 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.

As of the report date, SIH does not obtain any further information regarding remedy of this legal lawsuit.

- 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.

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On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Until the reporting date, 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.

- Based on the Legal Case Register Nos. 254 and 104, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is a defendant and defendant I on land area of 69,492 sqm, located in Tanjung Maccini Sombala. Until the reporting date, the case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 126 and 234, GMTD, a subsidiary, is a litigant on a land area of 60,000 sqm and 34,758 sqm, located in Tanjung Merdeka and Maccini Sombala, respectively. Until the reporting date, each case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 129 and 167, GMTD, a subsidiary, is defendant II on land area of 14,335 sqm, located in Tanjung Merdeka. Until the reporting date, each case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 215 and 243, GMTD, a subsidiary, is a defendant I on a land area of 519,610 sqm and 81,200 sqm, located in Tanjung Merdeka and Maccini Sombala, respectively. Up to the reporting date, each case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 207 and 265, GMTD, a subsidiary, is a litigant on a land area of 60,000 sqm and 68,929 sqm, located in Maccini Sombala and Mattoangin Village, respectively. Until the reporting date, each case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 64 and 219, GMTD, a subsidiary, is defendant and defendant II on land area of 34,000 sqm and 600 sqm, located in Tanjung Merdeka and Maccini Sombala, respectively. Until the reporting date, the case is still under appeal at the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 228, 312 and 339, GMTD, a subsidiary, is a defendant on a land area of 55,023 sqm located in Tanjung Merdeka. Until the reporting date, the case is in the process of court.
- Based on the Legal Case Register Nos. 163 and 318, GMTD, a subsidiary, is a defendant on land area of 59,996 sqm and 10,000 sqm, located in Maccini Sombala and Parambungan, respectively. Until the reporting date, the case is in the process of court.
- Based on the Legal Case Register No. 218, GMTD, a subsidiary, is a litigant on a land area of 21,023 sqm located in Lette Village. Until the reporting date, the case is in the process of court.





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**(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 December 31, 2013 and 2012:

|                                    | 2013                 |                |                    |               |                | Equivalent in<br>Rupiah    |
|------------------------------------|----------------------|----------------|--------------------|---------------|----------------|----------------------------|
|                                    | Foreign Currencies   |                |                    |               | AUD            |                            |
|                                    | USD                  | JPY            | SGD                | EUR           |                |                            |
| <b>Assets</b>                      |                      |                |                    |               |                |                            |
| Cash and Cash Equivalents          | 12,863,184           | 113,800        | 22,610,315         | 23,173        | 168,145        | 376,713,194,300            |
| Trade Accounts Receivable          | 3,381,652            | --             | 5,704,505          | --            | --             | 96,141,930,368             |
| Other Current Financial Assets     | 89,372,282           | --             | 542,632,857        | --            | --             | 6,313,827,892,494          |
| Other Non-Current Financial Assets | 49,950               | --             | 5,813,685          | --            | --             | 56,582,999,730             |
| <b>Total Assets</b>                | <b>105,667,068</b>   | <b>113,800</b> | <b>576,761,362</b> | <b>23,173</b> | <b>168,145</b> | <b>6,843,266,016,892</b>   |
| <b>Liabilities</b>                 |                      |                |                    |               |                |                            |
| Trade Accounts Payable             | --                   | --             | 3,516,878          | --            | --             | 33,860,501,384             |
| Accrued Expenses                   | 1,373,082            | --             | 780,424            | --            | --             | 24,250,418,770             |
| Bonds Payable                      | 653,306,000          | --             | --                 | --            | --             | 7,963,146,834,000          |
| <b>Total Liabilities</b>           | <b>654,679,082</b>   | <b>--</b>      | <b>4,297,302</b>   | <b>--</b>     | <b>--</b>      | <b>8,021,257,754,154</b>   |
| <b>Net Assets (Liabilities)</b>    | <b>(549,012,014)</b> | <b>113,800</b> | <b>572,464,060</b> | <b>23,173</b> | <b>168,145</b> | <b>(1,177,991,737,262)</b> |
|                                    |                      |                |                    |               |                |                            |
|                                    | 2012                 |                |                    |               |                | Equivalent in<br>Rupiah    |
|                                    | Foreign Currencies   |                |                    |               | AUD            |                            |
|                                    | USD                  | JPY            | SGD                | EUR           |                |                            |
| <b>Assets</b>                      |                      |                |                    |               |                |                            |
| Cash and Cash Equivalents          | 5,977,148            | 113,800        | 7,306,380          | 9,836         | 6,376          | 438,301,058,054            |
| Trade Accounts Receivable          | 3,091,364            | --             | 8,546,257          | --            | --             | 97,468,745,402             |
| Other Current Financial Assets     | 10,535,507           | --             | 532,942,782        | --            | --             | 4,315,856,921,772          |
| Other Non-Current Financial Assets | --                   | --             | 4,943,353          | --            | --             | 39,087,088,455             |
| <b>Total Assets</b>                | <b>19,604,019</b>    | <b>113,800</b> | <b>553,738,772</b> | <b>9,836</b>  | <b>6,376</b>   | <b>4,890,713,813,683</b>   |
| <b>Liabilities</b>                 |                      |                |                    |               |                |                            |
| Trade Accounts Payable             | --                   | --             | 340,888            | --            | --             | 2,695,401,416              |
| Accrued Expenses                   | 5,741,994            | --             | 1,878,791          | --            | --             | 70,380,688,375             |
| Bonds Payable                      | 642,535,000          | --             | --                 | --            | --             | 6,213,313,450,000          |
| <b>Total Liabilities</b>           | <b>648,276,994</b>   | <b>--</b>      | <b>2,219,679</b>   | <b>--</b>     | <b>--</b>      | <b>6,286,389,539,791</b>   |
| <b>Net Assets (Liabilities)</b>    | <b>(628,672,975)</b> | <b>113,800</b> | <b>551,519,093</b> | <b>9,836</b>  | <b>6,376</b>   | <b>(1,395,675,726,108)</b> |

**Sensitivity analysis**

A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would increase profit before tax by Rp43,840,784,437 (2012: Rp123,799,383,686).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp31,383,402,097 (2012: Rp65,130,027,481).

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.

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**(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:

|   | 2013                   |                       |                          |                                  |                          |
|---|------------------------|-----------------------|--------------------------|----------------------------------|--------------------------|
|   | Less Than 1 Year<br>Rp | Will Due On           |                          | Maturity not<br>Determined<br>Rp | Total<br>Rp              |
|   |                        | 1 - 5 Years<br>Rp     | More than 5 Years<br>Rp  |                                  |                          |
| Measured at amortized cost                    |                        |                       |                          |                                  |                          |
| Trade Accounts Payable - Third Parties        | 397,748,177,608        | --                    | --                       | --                               | 397,748,177,608          |
| Accrued Expenses                              | 551,608,473,508        | --                    | --                       | --                               | 551,608,473,508          |
| Short-Term Post-Employment Benefits Liability | 13,318,752,901         | --                    | --                       | --                               | 13,318,752,901           |
| Other Current Financial Liabilities           | --                     | --                    | --                       | 300,183,744,169                  | 300,183,744,169          |
| Short-Term Bank Loan                          | 4,927,167,196          | --                    | --                       | --                               | 4,927,167,196            |
| Long-Term Bank Loan                           | 11,792,174,233         | 42,960,940,232        | --                       | --                               | 54,753,114,465           |
| Due to Related Parties Non-trade              | --                     | --                    | --                       | 3,828,292,119                    | 3,828,292,119            |
| Bonds Payable                                 | --                     | --                    | 7,747,839,607,892        | --                               | 7,747,839,607,892        |
| Other Long-Term Financial Liabilities         | --                     | --                    | --                       | 50,996,677,731                   | 50,996,677,731           |
| <b>Total</b>                                  | <b>979,394,745,446</b> | <b>42,960,940,232</b> | <b>7,747,839,607,892</b> | <b>355,008,714,019</b>           | <b>9,125,204,007,589</b> |

  

|   | 2012                     |                          |                          |                                  |                          |
|---|--------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|
|   | Less Than 1 Year<br>Rp   | Will Due On              |                          | Maturity not<br>Determined<br>Rp | Total<br>Rp              |
|   |                          | 1 - 5 Years<br>Rp        | More than 5 Years<br>Rp  |                                  |                          |
| Measured at amortized cost                    |                          |                          |                          |                                  |                          |
| Trade Accounts Payable - Third Parties        | 575,701,267,461          | --                       | --                       | --                               | 575,701,267,461          |
| Accrued Expenses                              | 487,335,826,278          | --                       | --                       | --                               | 487,335,826,278          |
| Short-Term Post-Employment Benefits Liability | 6,326,397,455            | --                       | --                       | --                               | 6,326,397,455            |
| Other Current Financial Liabilities           | --                       | --                       | --                       | 179,543,836,416                  | 179,543,836,416          |
| Short-Term Bank Loan                          | 4,853,583,896            | --                       | --                       | --                               | 4,853,583,896            |
| Long-Term Bank Loan                           | 11,218,103,420           | 54,753,114,466           | --                       | --                               | 65,971,217,886           |
| Due to Related Parties Non-trade              | --                       | --                       | --                       | 3,188,994,396                    | 3,188,994,396            |
| Bonds Payable                                 | --                       | 1,141,954,363,699        | 4,801,575,272,736        | --                               | 5,943,529,636,435        |
| Other Long-Term Financial Liabilities         | --                       | --                       | --                       | 85,634,498,079                   | 85,634,498,079           |
| <b>Total</b>                                  | <b>1,085,435,178,510</b> | <b>1,196,707,478,165</b> | <b>4,801,575,272,736</b> | <b>268,367,328,891</b>           | <b>7,352,085,258,302</b> |

**(v) Price Risk**

Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Group are exposed to price risk because they own an investment classified as AFS financial assets.

The Group manage this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

Sensitivity analysis

A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain on Changes in Fair Value of Available-for-Sale Financial Assets by Rp51,099,718,149 (2012: Rp41,585,694,729).

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**Fair Value Estimation**

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

|   | 2013                     |                          | 2012                     |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Carrying Value<br>Rp     | Fair Value<br>Rp         | Carrying Value<br>Rp     | Fair Value<br>Rp         |
| <b>Financial Assets</b>                       |                          |                          |                          |                          |
| Fair value through profit or loss             |                          |                          |                          |                          |
| Derivative                                    | 1,089,358,745,423        | 1,089,358,745,423        | 101,878,348,847          | 101,878,348,847          |
| Loans and Receivable                          |                          |                          |                          |                          |
| Cash and Cash Equivalents                     | 1,855,051,780,961        | 1,855,051,780,961        | 3,337,357,407,919        | 3,337,357,407,919        |
| Trade Accounts Receivable                     | 771,671,659,700          | 771,671,659,700          | 594,377,013,788          | 594,377,013,788          |
| Other Current Financial Assets                | 579,151,927,041          | 579,151,927,041          | 342,988,169,824          | 342,988,169,824          |
| Due from Related Parties Non-trade            | 9,737,396,584            | 9,737,396,584            | 11,460,650,042           | 11,460,650,042           |
| Other Non-Current Financial Assets            | 460,469,077,258          | 460,469,077,258          | 344,302,236,769          | 344,302,236,769          |
| Available-for-Sale                            |                          |                          |                          |                          |
| Available-for-Sale Financial Assets           | 5,168,300,838,797        | 5,168,300,838,797        | 4,216,898,495,936        | 4,216,898,495,936        |
| <b>Total Financial Assets</b>                 | <b>9,933,741,425,764</b> | <b>9,933,741,425,764</b> | <b>8,949,262,323,125</b> | <b>8,949,262,323,125</b> |
| <b>Financial Liabilities</b>                  |                          |                          |                          |                          |
| Measured at amortized cost                    |                          |                          |                          |                          |
| Trade Accounts Payable - Third Parties        | 397,748,177,608          | 397,748,177,608          | 575,701,267,461          | 575,701,267,461          |
| Accrued Expenses                              | 551,608,473,508          | 551,608,473,508          | 487,335,826,278          | 487,335,826,278          |
| Other Current Financial Liabilities           | 300,183,744,169          | 300,183,744,169          | 179,543,836,416          | 179,543,836,416          |
| Short-Term Post-Employment Benefits Liability | 13,318,752,901           | 13,318,752,901           | 6,326,397,455            | 6,326,397,455            |
| Short-Term Bank Loan                          | 4,927,167,196            | 4,927,167,196            | 4,853,583,896            | 4,853,583,896            |
| Due to Related Parties Non-trade              | 3,828,292,119            | 3,828,292,119            | 3,188,994,396            | 3,188,994,396            |
| Long-Term Bank Loan                           | 54,753,114,465           | 54,753,114,465           | 65,971,217,886           | 65,971,217,886           |
| Bonds Payable                                 | 7,747,839,607,892        | 7,640,820,893,622        | 5,943,529,636,435        | 6,469,503,625,028        |
| Other Long-Term Financial Assets              | 50,996,677,731           | 46,480,631,284           | 85,634,498,079           | 81,118,451,632           |
| <b>Total Financial Liabilities</b>            | <b>9,125,204,007,589</b> | <b>9,013,669,246,872</b> | <b>7,352,085,258,302</b> | <b>7,873,543,200,448</b> |

As of December 31, 2013 and 2012, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

The fair value of derivative instruments and other long-term liabilities are estimated using valuation techniques with unobservable input portion (Level 2). The fair value of investments available for sale and bonds payable was quoted in an active market (Level 1).

The fair value hierarchy for financial assets at year end were recorded using their fair value, are as follows:

|  | 2013              | Level 1           | Level 2           | Level 3        |
|--|-------------------|-------------------|-------------------|----------------|
|  | Rp                | Rp                | Rp                | Rp             |
| Fair value through profit or loss - Derivative | 1,089,358,745,423 | --                | 1,089,358,745,423 | --             |
| Available-for-Sale                             |                   |                   |                   |                |
| Other Current Financial Assets                 | 5,109,971,815,786 | 5,109,971,815,786 | --                | --             |
| Other Non-Current Financial Assets             | 58,329,023,011    | --                | --                | 58,329,023,011 |
|  | 2012              | Level 1           | Level 2           | Level 3        |
|  | Rp                | Rp                | Rp                | Rp             |
| Fair value through profit or loss - Derivative | 101,878,348,847   | --                | 101,878,348,847   | --             |
| Available-for-Sale                             |                   |                   |                   |                |
| Other Current Financial Assets                 | 4,158,569,472,925 | 4,158,569,472,925 | --                | --             |
| Other Non-Current Financial Assets             | 58,329,023,011    | --                | --                | 58,329,023,011 |

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**44. Business Combination**

**Acquisition of PT Medika Sarana Traliansia (MST)**

On December 13, 2013, SIH acquired 80% shares of MST indirectly through PT Koridor Usaha Maju from the third party, in line with the strategic business expansion which support the Group's business activities.

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

|  | <u>Rp</u>                     |
|--|-------------------------------|
| Cash and Cash Equivalents              | 27,436,090,446                |
| Trade Accounts Receivable              | 10,435,964,113                |
| Other Current Financial Assets         | 244,157,342                   |
| Inventory                              | 5,242,737,740                 |
| Prepaid Taxes                          | 9,666,551,053                 |
| Prepaid Expenses                       | 1,799,222,306                 |
| Due from Related Parties Non-trade     | 52,914,861,030                |
| Property and Equipment                 | 167,319,345,979               |
| Other Intangible Assets                | 77,008,822                    |
| Deffered Tax Assets - Net              | (682,034,266)                 |
| Trade Accounts Payable - Third Parties | (2,612,701,121)               |
| Accrued Expenses                       | (104,609,273)                 |
| Tax Payables                           | (5,329,854,371)               |
| Deffered Tax Liabilities               | (8,220,363,189)               |
| Current Portion of Long-term Debt      | (137,832,101,689)             |
| Deffered Income                        | (189,687,581)                 |
| Due to Related Parties Non-trade       | (40,620,704,669)              |
| Long-term Debt                         | (416,164,840)                 |
| <b>Net Assets</b>                      | <b><u>79,127,717,832</u></b>  |
| Proportion Acquired                    | <u>80%</u>                    |
| Share of Fair Value of Net Assets      | 63,302,174,266                |
| Goodwill                               | 126,297,825,734               |
| <b>Total Purchase Consideration</b>    | <b><u>189,600,000,000</u></b> |

*Goodwill* arising from the acquisition amounted to Rp126,297,825,734 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

Non-controlling interest is measured by the percentage of the non-controlling ownership of the fair value of the net assets of the MST.

The balance of non-controlling interest of this acquisition is Rp15,825,543,566.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements of MST from the date of acquisition have been consolidated into the financial statements of the Group.

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Total revenue and profit before tax of MST since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2013 amounted to Rp10,345,841,011 and Rp1,776,966,356.

Revenues and profit of MST for the year ended December 31, 2013, the date as if MST had been consolidated from January 1, 2013 amounted to Rp110,929,201,050 and Rp19,093,869,714.

**PT Mulia Citra Abadi (MCA)**

On December 20, 2012, the Company acquired the entire shares of MCA indirectly 75% through PT Lippo Malls Indonesia (formerly PT Consulting & Management Services Division) and 25% through PT Kilau Intan Murni 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 MCA:

|                                     | <u>Rp</u>                     |
|-------------------------------------|-------------------------------|
| Cash and Cash Equivalents           | 9,000,000                     |
| Property and Equipment              | 279,686,000,000               |
| Due to Related Parties Non-trade    | <u>(185,805,000,000)</u>      |
| <b>Net Assets</b>                   | <b><u>93,890,000,000</u></b>  |
| Proportion Acquired                 | <u>100%</u>                   |
| Share of Fair Value of Net Assets   | 93,890,000,000                |
| Goodwill                            | <u>20,247,679,428</u>         |
| <b>Total Purchase Consideration</b> | <b><u>114,137,679,428</u></b> |

Goodwill arising from the acquisition amounted to Rp20,247,679,428 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

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

Total revenue and profit before tax of MCA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of MCA for the year ended December 31, 2012, the date as if MCA had been consolidated from January 1, 2012 amounted to nil and nil.

**PT Bimasakti Jaya Abadi (BJA)**

On December 20, 2012, the Company acquired the entire shares of BJA indirectly 25% through PT Primakreasi Propertindo and 75% through PT Mandiri Cipta Gemilang from the third party, in line with the strategic business expansion which support the Group's business activities.

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

|  | <u>Rp</u>                     |
|--|-------------------------------|
| Cash and Cash Equivalents              | 6,124,000,000                 |
| Other Current Financial Assets         | 36,000,000                    |
| Inventory                              | 148,485,000,000               |
| Prepaid Taxes and Expenses             | 6,991,000,000                 |
| Property and Equipment                 | 131,000,000                   |
| Trade Accounts Payable - Third Parties | (127,000,000)                 |
| Other Short-Term Financial Liabilities | (911,000,000)                 |
| Taxes Payable                          | (4,341,000,000)               |
| Due to Related Parties Non-trade       | (18,632,000,000)              |
| Advances from Customers                | (40,896,000,000)              |
| <b>Net Assets</b>                      | <b><u>96,860,000,000</u></b>  |
| Proportion Acquired                    | 100%                          |
| Share of Fair Value of Net Assets      | 96,860,000,000                |
| Goodwill                               | 9,509,000,000                 |
| <b>Total Purchase Consideration</b>    | <b><u>106,369,000,000</u></b> |

Goodwill arising from the acquisition amounted to Rp9,509,000,000 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

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

Total revenue and profit before tax of BJA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of BJA for the year ended December 31, 2012, the date as if BJA had been consolidated from January 1, 2012 amounted to nil and nil.

**PT Surya Megah Lestari (SML)**

On December 20, 2012, the Company acquired the entire shares of SML indirectly 25% through PT Primakreasi Propertindo and 75% through PT Mandiri Cipta Gemilang from the third party, in line with the strategic business expansion which support the Group's business activities.

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

|                                     | <u>Rp</u>                   |
|-------------------------------------|-----------------------------|
| Cash and Cash Equivalents           | 2,000,000                   |
| Property and Equipment              | 4,318,000,000               |
| Due to Related Parties Non-trade    | <u>(3,000,000,000)</u>      |
| <b>Net Assets</b>                   | <b><u>1,320,000,000</u></b> |
| Proportion Acquired                 | <u>100%</u>                 |
| Share of Fair Value of Net Assets   | 1,320,000,000               |
| Goodwill                            | <u>5,680,000,000</u>        |
| <b>Total Purchase Consideration</b> | <b><u>7,000,000,000</u></b> |

Goodwill arising from the acquisition amounted to Rp5,680,000,000 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

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

Total revenue and profit before tax of SML since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of SML for the year ended December 31, 2012, the date as if SML had been consolidated from January 1, 2012 amounted to nil and nil.

**PT Ekaputra Kencana Abadi (EKA)**

On August 15, 2012, the Company acquired the entire shares of EKA, indirectly 75% through PT Persada Mandiri Dunia Niaga and 25% through PT Wisma Jatim Propertindo 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 EKA:

|                                     | <u>Rp</u>                    |
|-------------------------------------|------------------------------|
| Due from Related Parties Non-trade  | 349,000,000                  |
| Other Non-Current Financial Assets  | <u>2,016,000,000</u>         |
| <b>Net Assets</b>                   | <b><u>2,365,000,000</u></b>  |
| Proportion Acquired                 | <u>100%</u>                  |
| Share of Fair Value of Net Assets   | 2,365,000,000                |
| Goodwill                            | <u>15,050,000,000</u>        |
| <b>Total Purchase Consideration</b> | <b><u>17,415,000,000</u></b> |



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Goodwill arising from the acquisition amounted to Rp15,050,000,000 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

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

Total revenue and profit before tax of EKA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and Rp7,128,993,641.

Revenues and profit of EKA for the year ended December 31, 2012, the date as if EKA had been consolidated from January 1, 2012 amounted to nil and Rp8,431,839,194.

**PT Diagram Healthcare Indonesia (DHI)**

On March 31, 2012, PT Pancawarna Semesta acquired 80% shares of DHI from the third party, in line with the strategic business expansion which support the Group's business activities.

Non-controlling interest is measured by the percentage of non-controlling ownership of the fair value of net assets DHI.

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

|  | <u>Rp</u>                    |
|--|------------------------------|
| Cash and Cash Equivalents              | 5,951,879,958                |
| Trade Accounts Receivable              | 1,718,362,121                |
| Other Current Financial Assets         | 3,402,984,235                |
| Inventory                              | 3,016,325,388                |
| Prepaid Expenses                       | 6,988,810,376                |
| Property and Equipment                 | 1,693,511,777                |
| Other Non-Current Financial Assets     | 52,582,943,963               |
| Trade Accounts Payable - Third Parties | (1,362,329,594)              |
| Accrued Expenses                       | (812,059,303)                |
| Taxes Payable                          | (66,187,108)                 |
| Due to Related Parties Non-trade       | (8,316,562,501)              |
| Other Short-Term Financial Liabilities | (2,897,038,000)              |
| Advances from Customers                | (24,448,849)                 |
| <b>Net Assets</b>                      | <b><u>61,876,192,463</u></b> |
| Proportion Acquired                    | 80%                          |
| Share of Fair Value of Net Assets      | 49,500,953,970               |
| Goodwill                               | 9,251,046,030                |
| <b>Total Purchase Consideration</b>    | <b><u>58,752,000,000</u></b> |

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Goodwill arising from the acquisition amounted to Rp9,251,046,030 (see Note 13) represents subsidiary business results that support and synergy with the core business of the Group.

The balance of non-controlling interest on this acquisition is Rp14,038,550,993.

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

Total revenue and loss before tax of DHI since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to Rp26,076,661,740 and Rp5,860,131,989, respectively.

Revenues and loss of DHI for the year ended December 31, 2012, the date as if DHI had been consolidated from January 1, 2012 amounted to Rp34,134,147,413 and Rp6,487,148,864.

**45. Non-Cash Transactions**

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

- As of December 31, 2013, addition of AFS investment in Bridgewater International Ltd, a subsidiary, amounted to SGD 50,000,000 (equivalent Rp387,850,000,000) through property sales of Siloam Hospitals Simatupang to First REIT.
- As of December 31, 2013, addition of AFS investment amounted to 6,229,582 unit of First REIT (equivalent Rp67,895,054,814) in Bowsprit Capital Corporation Ltd and AFS investment amounted to 14,595,461 unit of LMIR Trust (equivalent Rp64,363,856,915) in LMIRT Management Ltd.
- As of December 31, 2013, addition of property and equipment in subsidiaries through accrued expenses amounted to Rp36,097,496,473.
- As of December 31, 2013 and 2012, addition of property and equipment in subsidiaries through realization of advances on purchase of property and equipment amounted to Rp141,582,484,925 and Rp12,808,909,716, respectively.
- As of December 31, 2013, share issuance costs of SIH, a subsidiary, which is still outstanding amounted to Rp1,899,274,884.

**46. Capital Management**

|   | 2013<br>Rp                | 2012<br>Rp                |
|---|---------------------------|---------------------------|
| <b>Net Liabilities:</b>                       |                           |                           |
| Total Liabilities                             | 17,122,789,125,041        | 13,399,189,342,618        |
| Less: Cash and Cash Equivalents               | (1,855,051,780,961)       | (3,337,357,407,919)       |
| <b>Net Liabilities</b>                        | <b>15,267,737,344,080</b> | <b>10,061,831,934,699</b> |
| <b>Total Equity</b>                           | <b>14,177,573,305,225</b> | <b>11,470,106,390,475</b> |
| Less: Other Components of Equity              | (3,294,262,538,510)       | (1,545,025,846,636)       |
| <b>Adjusted Equity</b>                        | <b>10,883,310,766,715</b> | <b>9,925,080,543,839</b>  |
| <b>Net Liability Ratio to Adjusted Equity</b> | <b>1.40</b>               | <b>1.01</b>               |

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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.

#### **47. Events After Reporting Date**

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- a. On February 4, 2014, based on letter No. 0258/JAM/2014, GFA, a subsidiary, entered into an extension of local credit facility with PT Bank Central Asia Tbk (see Note 19).
- b. On March 13, 2014, PT Kalimaya Pundi Bumi, a subsidiary, disposed 82,500,000 shares or 7.1% shares ownership in SIH at Rp10,400 per share with total proceeds of Rp858,000,000,000. After the disposal, Group ownership in SIH become 78.89%.

#### **48. Recent Development of SAK**

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The following new Interpretations of financial accounting standard (ISAK) are effective on 1 January 2014 to the Group's consolidated financial statements:

- ISAK No. 27 "Transfer of Assets from Customers"
- ISAK No. 28 "Extinguishing Financial Liabilities with Equity Instruments"

In addition, in December 2013, the DSAK-IAI issued a number of new and revised statements of financial accounting standards (PSAK) that will become effective for the annual period beginning of January 2015. Early adoption of these standards is not permitted.

The new standards are:

- 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. 65 "Consolidated financial statements"
- PSAK No. 66 "Joint arrangements"
- PSAK No. 67 "Disclosure of interests in other entities"
- PSAK No. 68 "Fair value measurement"

As at the authorisation date of this consolidated of financial statements, the Company is still evaluating the potential impact of ISAK, new and revised PSAK.

#### **49. Responsibility and Issuance for the Consolidated Financial Statements**

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The management of the Company is responsible for the preparation and presentation of the consolidated financial statements. The consolidated financial statements were authorized for issuance by Directors on March 20, 2014.