

2013 **LIPPO** ANNUAL REPORT  
**KARAWACI**

# ACCELERATING CHANGES



PROPERTIES

HEALTHCARE

COMMERCIAL

ASSET MANAGEMENT









## Accelerating Changes

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## Management Discussion and Analysis



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LPKR recorded growth in Revenue and Net Profit for full year 2013 to Rp6.66 trillion and Rp1.23 trillion, up 8% and 16% from Rp6.16 trillion and Rp1.06 trillion respectively in 2012.

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the Company will continue to expand its property development projects in strategic locations throughout Indonesia.

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# INTRODUCTION

## Accelerating Changes



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Management is accelerating the transformation in order to optimize shareholders and brand values.

## Healthcare Business Units



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As end of 2013 Siloam Hospitals manages and operates 16 hospitals, of which seven of them are in Greater Jakarta area and the other nine are located in Surabaya, Balikpapan, Palembang, Jambi, Manado, Makassar and Bali.

## Report from the Board of Commissioners



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We strongly believe that Lippo Karawaci's track records and experiences has driven the company to business advancement and significant achievements.

# BUSINESS

## Business Review



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High recurring Revenue is a testament to the success of LPKR business model.

## Recurring Business



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Recurring Revenue is very important for the Company in mitigating the risk of operating in the cyclical property business in Indonesia.

## Healthcare



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Hospitals Unit has a target to operate 40 Hospitals by end 2017, with total beds capacity of 10,000.

# HIGHLIGHTS

## Good Corporate Governance



100

The Company realizes the growing importance of consistent implementation of corporate governance which is transparent, accountable, responsible, independent and fair.

## Corporate Social Responsibility



140

Lippo Karawaci is founded on a vision of impacting lives, particularly through environmentally friendly, high quality and sustainable business activities.





# Accelerating Changes

Despite Indonesia's unfavorable macroeconomic climate in 2013, PT Lippo Karawaci Tbk. ("LPKR")'s diversified business model once again proved its resilience as the Company was able to increase its Revenues. In its transformational journey to become a USD 8 billion company by 2015, the management intends to accelerate the transformation to elevate its shareholders and brand value. In the middle of its transformational journey, in 2013, LPKR shifted its focus towards high rise projects in order to optimize its assets, and continuously strengthen the Company's value through its asset light, capital recycling strategies and 10 year landbank.

The income balancing through a higher contribution from the recurring business compared to development business in 2013, was another testament of LPKR's proven business model where lower revenue from property business was balanced by higher recurring revenue. Once again, LPKR put its relentless effort to reach the objectives of its transformational journey by delivering world class products supported by solid business strategies to further strengthen its foothold as the most integrated property group in Indonesia.







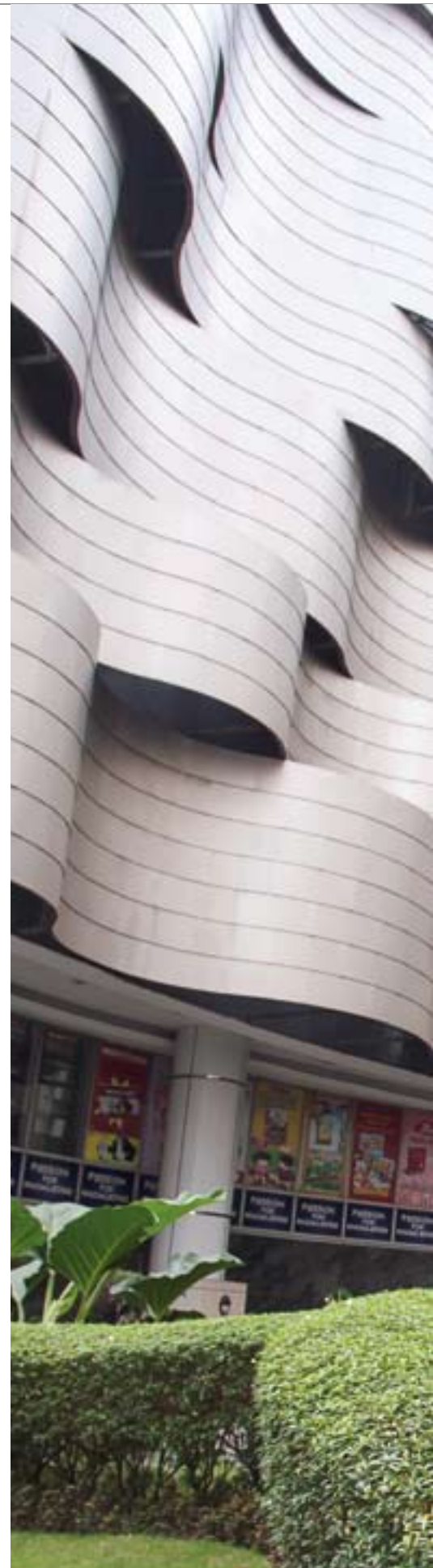
## LIPPO KARAWACI AT A GLANCE

**L**ippo Karawaci Lippo Karawaci started its journey in 1993, evolving from PT Tunggal Reksakencana, which was founded in October 1990. In 1993, the Company started its first township project in Tangerang, west of Jakarta: Lippo Village, a self sustained community, in which the Company not only built residential and commercial areas, schools, hospitals, malls, hotel, golf courses, but also a total of 319 km of roads, planted 154,751 trees and several water treatment plants in its three township during the course of its 24 years in operations. This is all part of its commitment to build sustainable communities and most of all to positively impact lives wherever the Company operates its businesses.

The merger of eight property related companies in 2004 consolidated Lippo Karawaci's businesses, which later in 2009 was defined into six main pillars and later for the sake of simplicity, the company consolidated further into four main pillars: Property (consists of Urban Development and Large Scale Integrated Development), Healthcare, Commercial (Retail Malls and Hotels) and Asset Management (Town Management and Portfolio Management). Since then, the market capitalization of Lippo Karawaci has grown by more than 15 times as it was reaching its peak in the middle

of 2013. In fact, the Company became the largest listed diversified property group in Indonesia, in term of Total Revenue and Total Assets. Yet for Lippo Karawaci size does not impede the speed of its growth, as the Company is agile and effective in adopting to market demands and changing urban lifestyle while consistently delivering world class and internationally renowned products proved as the Company received many awards including six awards from Euromoney as "The Best Developer in Indonesia" in 2005, 2007, 2008, 2009, 2011, and 2012 and three awards as "The Best Developer in Indonesia" by South East Asia Property in 2011, 2012, and 2013; this further cementing its status as one of Indonesia's most trusted developer with the most recognizable and reputable brand.

The year 2013 is the 3rd year, or the middle of its five year transformational journey. The size and diversity of the Company's property development business did not impede Lippo Karawaci growth impetus but accelerated its momentum to keep building the future, and most importantly, shareholders' value. As an award winning developer, Lippo Karawaci always strive to bring the Company to a higher level, redefining the quality of life for people who live within the communities where the Company has laid a solid foundation.







## BUSINESS UNITS

### Properties



#### Focused high quality developments in strategic locations

Through the development and sale of residential, commercial, light industrial properties and memorial parks, the Company envisages it will impact people's quality of life, from birth in our hospitals to eternal rest in our memorial park, all of which are on our properties. For Urban Development, the Company has been pioneering "edge cities" in Indonesia, where all necessary infrastructure is established to create self-contained urban communities beyond the boundaries of larger cities. As of December 2013, the Company's three urban developments, Lippo Village, Lippo Cikarang and Tanjung Bunga had a combined population of approximately 113,250 residents, 28,393 houses and employed more than 410,095 workers. Looking forward, in addition to re-mastering the plans

of the two townships, Lippo Village and Lippo Cikarang, the Company intends to focus on acquiring small parcels of land in strategic locations to develop smaller, targeted Residential areas, apartments and condominiums, catering to the growing middle and upper middle class in Indonesia. In addition, the Company plans to develop high rise strata title Mixed Used projects including Residential apartments, Retail Malls, and Office buildings, each of which will improve the land utilization rate without the Company needing to acquire significant parcels of land in the near future.

Large Scale Integrated Development projects include the development and sale of Residential properties, Office and Retail spaces, Hospitality, Leisure, and Healthcare facilities, all in one location, typically on a high rise basis. Currently, we are in the

completion stage of the first phase for the development of our two Large Scale Integrated Development projects, namely Kemang Village in well-known expatriate area in South Jakarta and The St Moritz in the newly developed Central Business District of West Jakarta. Looking forward, we will continue to launch, sell and build more Large Scale Integrated Development projects scattered throughout strategic locations in those major cities in Indonesia that exhibit strong growth potential and are underserved by the existing developments.

## Healthcare



new Hospitals were  
opened in South  
Jakarta and Bali in  
2013



### STATE-OF-THE-ART TECHNOLOGY

Siloam Hospitals are equipped with state of the art medical equipments, offering comprehensive range of specialized medical services, including surgical procedures, as well as laboratory services, radiology and imaging facilities, general healthcare services and diagnostic and emergency services.

## Premier World Class Hospitals Network

Lippo Karawaci started its Hospitals business in early 1990s through a partnership with Parkway, Singapore, with the Hospital now known as Siloam Hospital Lippo Village. Siloam Hospital Lippo Village became the first Indonesian Hospital to receive JCI Accreditation while all other Siloam Hospitals have ISO certification. Siloam Hospitals have received many awards, among them are the Frost Sullivan award in 2010: "Indonesian Healthcare Service Provider of the Year: Best Practices"; Asian Hospital Management Award in 2011: "Excellent" and Indonesian Sustainable Business Award in 2013 as Industry Champion in Healthcare.

From just four Hospitals operating back in 2010, today Siloam manages and operates 16 Hospitals, of which seven are in the Greater Jakarta area and the other

nine are located in Surabaya, Balikpapan, Palembang, Jambi, Manado, Makassar and Bali. Nine out of sixteen of the Hospitals are owned by First REIT and leased back by us. In 2013, we opened four new Hospitals in South Jakarta and Bali. Committed to providing world class Healthcare services, Siloam are equipped with state of the art medical equipments, such as 11 Cath Labs, 13 MRIs, 18 CTs, 1 Gamma Knife, 2 Linear Accelerators, and 1 Cyclotron, offering a comprehensive range of specialized medical services, including surgical procedures, as well as laboratory services, radiology and imaging facilities, general healthcare services and diagnostic and emergency services. As of December 2013, Siloam had combined capacity of 3,783 Beds, supported by 1,513 general practitioners and specialists and 2,767 nurses and allied health staff, providing services to close to 2 million patients.

Looking forward, Siloam plans to open five additional Hospitals in strategic locations in Indonesia during 2014. Further, Siloam envision managing 40 Hospitals, with a 10,000 beds capacity reaching over 12 million patients annually over the next three to five years. Siloam aims to further penetrate severely underserved markets, and increase the availability of quality Healthcare at international standards with advanced equipments and telemedicine and strong doctor partnership programs. Siloam will continue to provide high quality services and specialty treatments that had previously been unavailable in Indonesia, tapping the lucrative medical tourism market.



## Commercial

### Strengthen the dominant position in Retail Malls and Hotels

As of December 2013, LPKR managed 34 malls, with total GFA (Gross Floor Area) of 2,590,135 sqm and total NLA (Net Leasable Area) of approximately one million square meters. The Company variously builds, acquires and sells, and operates these retail properties. Out of 34 malls, the Company owns three, while it manages sixteen that are owned by Singapore listed Lippo Malls Indonesia Retail Trust (LMIRT) and also one mall that belongs to First REIT. In addition, there are nine strata titled malls built by the Company, and five others belonging to third parties. In 2013, the Company opened Lippo Mall Kuta in Bali with GFA of 40,278 sqm and NLA of 20,317 sqm in addition to managing two other malls belonging to third parties, Blu Plaza in Bekasi, in Greater Jakarta, and Palembang Icon, in South Sumatra.

Looking forward, the Company intends to further strengthen its Retail Malls division by building more malls, targeting 12 to 18 new malls within the next three to five years. The Company is looking to capitalize on the growing retail market by broadening the mall portfolio nationwide. Further, the Company aims to improve mall profitability by improving the tenant mix and rental margins. In 2014, the Company will target opening two

additional malls which are nearing completion: the St Moritz Mall in West Jakarta and the Lippo Mall Yogya in Yogyakarta.

Lippo Karawaci's Hotels division manages eight five-star Aryaduta Hotels, which with 1,665 rooms, can be considered as Indonesia's largest five star Hotel group. We currently own three Aryaduta Hotels, manage two hotels that belong to First REIT and three other hotels that belong to third parties. These Hotels are located in various strategic locations across the country, specifically in Greater Jakarta, Medan, Pekanbaru, Manado, Makassar and Palembang.

Looking forward, Lippo Karawaci intends to strengthen Aryaduta branding efforts and providing incentives to business travelers, in order to increase occupancy rates and Average Room Rates (ARR) in each of our Hotel properties. The Company will also explore new opportunities to develop Hotel properties in strategic locations in Indonesia particularly in the Company's Mixed Used projects whenever it would fit in. In the next three to four years, Lippo Karawaci plans to build four new Hotels, including two Hotels located in Kemang Village and The St Moritz Jakarta to be managed by J.W. Marriott.



**LIPPO MALL KUTA BALI**  
In 2013, the Company opened Lippo Mall Kuta in Bali with GFA of 40,278 sqm and NLA of 20,317 sqm.



## Asset Management

### Continue growing Assets under management

Lippo Karawaci's Asset Management business unit consists of two managers of Real Estate Investment Trusts (REITs) whose establishment are sponsored by the Company and listed on the Singapore Stock Exchange, and management of Malls, Hotels and Townships. The Company currently manages First REIT through our wholly owned subsidiary, Bowsprit Capital Corporation Ltd, which was established in 2006 and Lippo Malls Indonesia Retail Trust ("LMIRT") through LMIRT Management Ltd, which was formed in 2007. As of December 2013, First REIT owned nine hospitals and two hotels in Indonesia, one hospital in South Korea and three nursing homes in Singapore, with a total of funds managed exceeding SGD 1 billion. On the other hand, as of December 2013, LMIRT

owned 16 retail malls in Indonesia with a total Net Leaseable Area (NLA) of 725,601 sqm and overall occupancy at 95% and the only REIT in Singapore that focused on the Indonesian retail market, managing a total assets exceeding SGD1.4 billion. These two REITs play crucial role in the Company's asset light strategy by allowing Company to recycle its capital, for new development of Hospitals and Retail Malls.

Looking forward, the Company plans to continue growing its fee based income arising from managing and enlarging portfolio of Hospitals and Retails Malls which will be sold to REITs once the assets are stable, as well as from managing REITs themselves.

On Town Management business, the Company builds and operates town management services such as security, water, and sewage treatment, garbage collection, landscaping, roads and drainage maintenance and public transportation services to the residents of its Urban Developments. Looking forward, the Company plans to continue to develop this business unit by providing high quality town management services by ensuring consistency of services across the Company's Urban Developments in order to improve and enhance the living environments of the residents.





# GEOGRAPHIC SPREAD

## Projects Across Indonesia

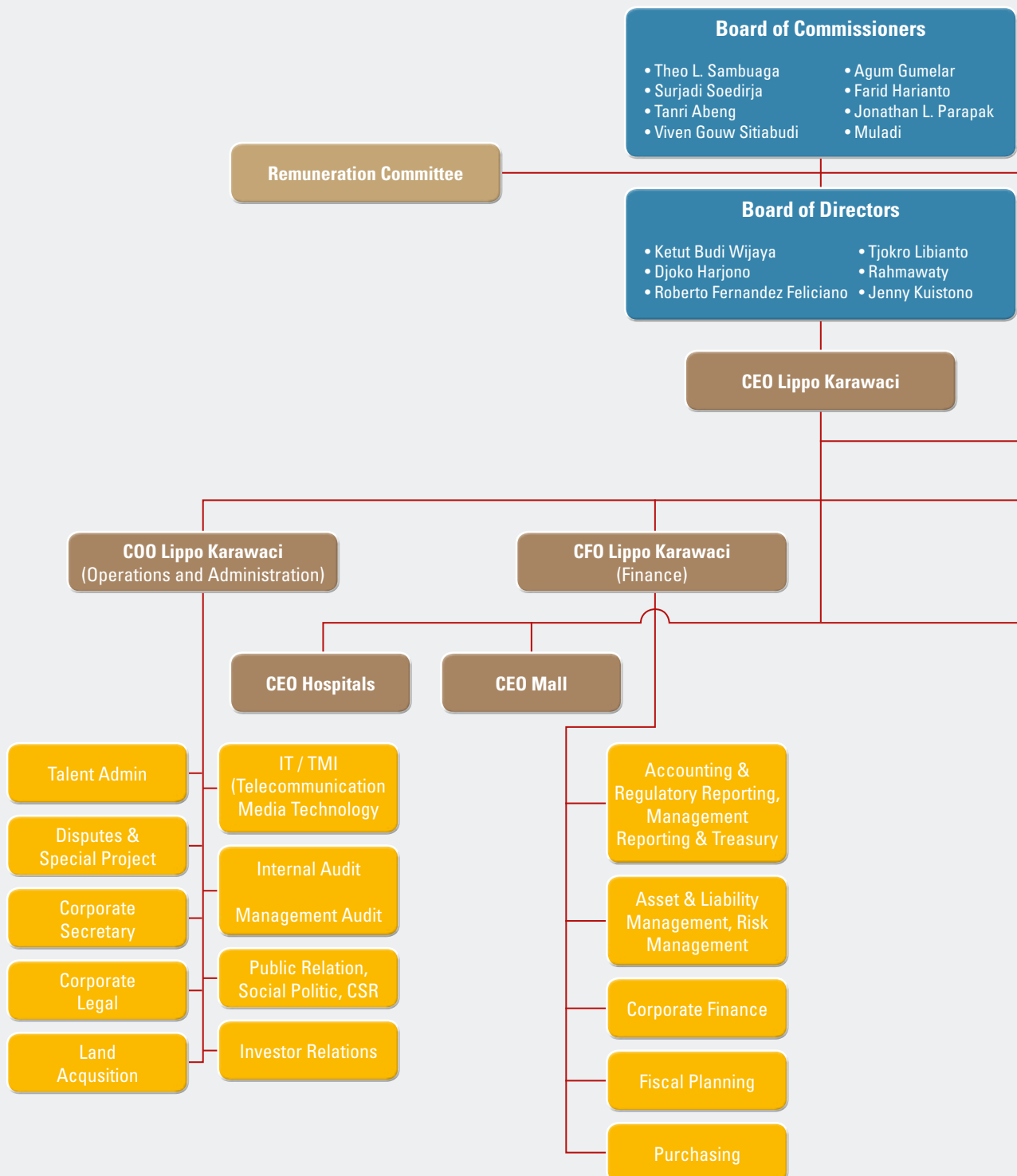


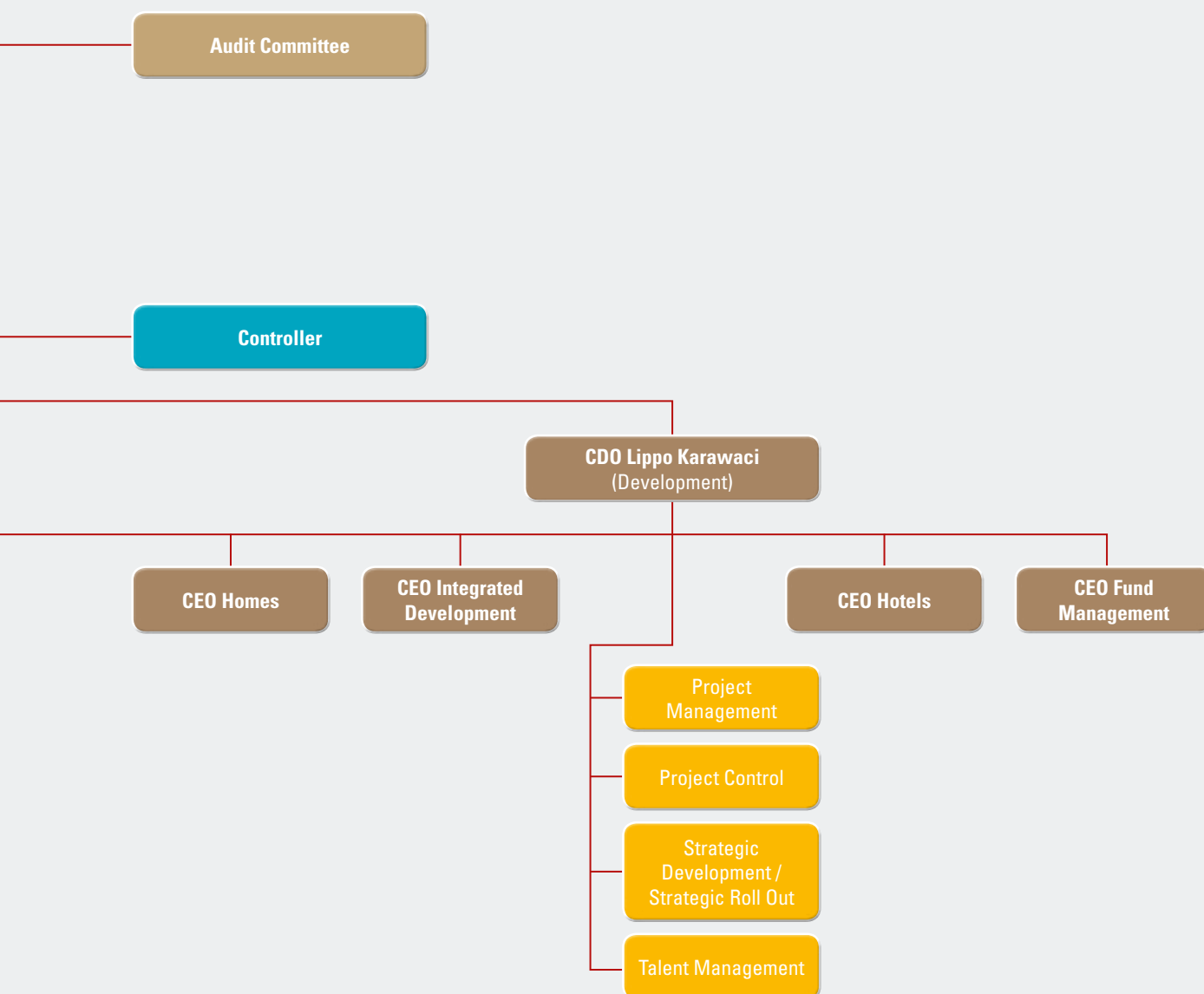
## Projects in Greater Jakarta





# Corporate STRUCTURE







To be a leading property company in Indonesia and in the region with a strong commitment to positively impact on people's quality of life and to continuously create added value to shareholders.



# Vision

# Mission



- To meet the needs of middle and upper middle class Indonesians for housing, shopping centers, commercial development, healthcare, entertainment, hospitality and infrastructure.
- To achieve sustainable growth for each of its businesses through a balanced portfolio of development projects while maintaining a healthy level of recurring income.
- To provide first class living environments that enhance the physical, social and spiritual experience of its clientele, and to provide a best practice green environment for each of its development projects.

## Explaining the Vision

"To be a leading property company" is Lippo Karawaci's commitment to continue evolving and become a benchmark not only for Indonesia, but also the region in terms of providing more value and better quality in each of the Company's endeavors.

"Impact on people's quality of life" defines Lippo Karawaci's commitment to positively touch people's lives and bring bountiful benefits through each business venture the Company engages in.

"Create added value to shareholders" is Lippo Karawaci's pledge that each shareholder is at the core of each of the Company's decisions and endeavors wherein it prioritizes the shareholders' best interest in its value creation.

## Explaining the Mission

Through an integrated business model that seeks continuous development, Lippo Karawaci is determined to meet the needs of the general public, primarily by providing high quality residential structures built within clean and green environments, affordable health care services of international standards, and retail, entertainment and hospitality centers.

Lippo Karawaci will continue to develop innovative and high quality Residential structures, while at the same time accelerating the Company's Recurring Revenues sourced from Hospitals, Commercial and Asset Management units.

Lippo Karawaci will continue to observe the social, spiritual and environment needs in order to improve the lives of its customers.



# MILESTONES

## 1993

**January**  
Started Lippo Karawaci Township, located in the regency of Tangerang, approximately 30 kilometers to the West of Jakarta.

## 1990

**October**  
Established under the name of PT Tunggal Reksakencana.

**October**  
Started Lippo Cikarang Township, an integrated real estate and industrial development located in Cikarang, approximately 40 kilometers to the East of Jakarta.

## 1996

**June**  
Initial Public Offering of 30,800,000 shares and listed on Jakarta Stock Exchange and Surabaya Stock Exchange (now Indonesia Stock Exchange).

## 1997

**June**  
Started Tanjung Bunga Township, the largest integrated community development in Eastern Indonesia.

## 1998

**February**  
1<sup>st</sup> Rights Issue of 607,796,000 shares at the price of Rp500 per share.

## 2007

**January**  
Launched San Diego Hills Memorial Park & Funeral Homes in Karawang, West Java.

**July**  
Launched Kemang Village, a superblock project in South Jakarta.

**November**  
LMIRT was listed in SGX, sponsored by the Company.

**December**  
1-for-2.5 Stock Split.

## 2008

**August**  
Launched The St. Moritz Penthouses & Residences, a Large Scale Integrated development in West Jakarta.

**December**  
Opened Pejaten Village Mall, the Company's first leased mall, in South Jakarta.

## 2009

**January**  
In order to strengthen its business structure, the Company formalized its business units into 6 strategic business units: Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality & Infrastructure, Property & Portfolio Management.

**August**  
The opening of PX Pavillion @ The St. Moritz, a preface to the future shopping mall complex located at The St. Moritz Penthouses & Residences, CBD West Jakarta.

## 2010

**May**  
USD270 million Bonds issuance, at the coupon rate of 9% p.a., issue price 100%, due 2015.

**December**  
3<sup>rd</sup> Rights Issue of 4,325,537,924 new shares at the price of Rp550 per share.

## 2011

**March**  
USD125 million Bonds issuance, at the coupon rate of 9% p.a., issue price 108%, due 2015.

**May**  
Capital increase without pre-emptive rights of 1,450 million new shares, at price of Rp660 per share.

## 2002

### September

Launched its first retail strata-titled project, WTC Matahari Serpong located in West Jakarta. Since then (2002-2007), Lippo Karawaci has developed the retail and commercial properties such as Metropolis Town Square in Tangerang, GTC Makassar in South Sulawesi, Depok Town Square in Depok, South Jakarta, Malang Town Square in Malang, East Java, Grand Palladium Medan in North Sumatera, Bellanova Country Mall in Bogor and City of Tomorrow Mall in Surabaya.

## 2004

### July

Merger of 8 property-related companies, making the new PT Lippo Karawaci Tbk, Indonesia's largest listed property company with three business pillars: Housing & Land Development, Healthcare, and Hospitality & Infrastructure.

## 2005

### January

2<sup>nd</sup> Rights Issue of 881,905,813 shares at the price of Rp1,050 per share.

### September

Launched City of Tomorrow (CITO), its first Large Scale Integrated development project in Surabaya.

## 2006

### March

USD250 million bond issuance, at the rate of 8.875% p.a., issue price 100%, due 2011.

### August

1-for-2 Stock Split.

### December

The listing of First REIT on the Singapore Stock Exchange, sponsored by the Company, offered 271,400,000 units at an offering price of SGD 0.71/unit.

## 2012

### May

The issuance of USD150 million Global Bonds, due 2019, with coupon rate of 7.0% p.a., and an issue price of 99.32%.

### August

Launched The Nine Residence at North Kemang, Jakarta an Integrated Development project consists of apartment and Commercial spaces in one location.

### October

The issuance of USD100 million Global Bonds, due 2019, with coupon rate of 7.0% p.a., and an issue price of 105.25%.

### November

Lippo Karawaci successfully completed the debt exchange offer of USD395.6 million, 9% notes due 2015 (2015 Bonds) to be exchanged for new Senior Notes which will mature in 2020. As a result, USD273.3 million Notes were exchanged into 2020 Notes with a coupon rate of 6.125% p.a.

## 2013

### January

Issuing an additional US\$130 million Global Bonds due in 2020, with coupon rate of 6.125% pa and an issue price of 104.4%.

### April

Lippo Karawaci completed the redemption of the remaining 2015 Bonds, with coupon rate of 9% p.a.

### May

Launched Holland Village, a Large Scale Integrated Development project in Central Jakarta.

### September

PT Siloam International Hospitals Tbk's shares (SILO) was successfully listed on IDX at an initial offering price of Rp 9,000/share, valuing Siloam at USD1 billion.

### October

Launched Lippo Thamrin, an office tower project in CBD of Central Jakarta.



# Corporate ACTIONS

USD **130** million

January 2013

**USD130 Million Global Bonds Issuance:**

The Issuance of USD130 million Global Bonds, at the rate of 6.125% p.a offered at 104.4% and due 2020.

USD **144.5** million

September 2013

**Initial Public Offering (IPO) of PT Siloam International Hospitals Tbk:**

SIH issued 156,100,00 new shares during its IPO at the offer price of Rp9,000/share with a total value of Rp1,404 billion (USD144.5 million) and listed on the Indonesia Stock Exchange.

Rp **53.1** billion

October 2013

**Over-Allotment Option Shares**

**PT Siloam International Hospitals Tbk ("SIH"):**

Pursuant to the Over-Allotment Option during the SIH's IPO, the Company through its wholly owned subsidiary PT Nilam Biru Bersinar has disposed 5,900,000 shares of SIH resulting in a decreased of the Company's indirect ownership in SIH to 86%.

Rp **308** billion

December 2013

**SIH Acquired Two Hospitals in Bali:**

PT Siloam International Hospitals Tbk, the Company's subsidiary, Siloam announced the successful acquisition of hospital BIMC Kuta and Nusa Dua Bali. The acquisition is carried out through the purchase of 80% stake in PT Medika Sarana Traliansia of Rp308 billion by Siloam and includes debt takeover of PT Medika Sarana Traliansia. With the completion of this acquisition, it compliments the Siloam Hospitals Bali at Sunset which has a capacity of 280 Beds.

Rp **270** billion

December 2013

**Rp270 billion Dividend Distribution:**

Lippo Karawaci distributed dividend from the fiscal year 2012 amounting to Rp270 billion, or Rp11.85 per share, with a payout ratio of 25.47%.

## Lippo Karawaci Facts

1

Largest listed property company by Total Revenue (Rp6.7 trillion) and Total Assets (Rp31.3 trillion) as of 31 December 2013.

2

One of the top 20 listed companies by trading value in the Indonesia Stock Exchange (Rp33.3 trillion for the year ended 31 December 2013 with trading volume of 26.8 billion shares).

3

Fastest growing Indonesian real estate group (Market Cap grew by more than 8x since the merger of 8 property related companies in 2004).

4

Market leader in Townships & Residential property, Hospitals, Retail Malls and REITs.

5

Integrated business model with ability to recycle capital.

6

Largest diversified landbank in strategic locations throughout Indonesia.

7

The only property company rated by three rating agencies (BB- by Standard & Poor's2, BB- by Fitch3, Ba3 by Moody's).

8

Included in MSCI Global Standard Indices & major Indonesia Stock Exchange Indices: LQ45, IDX30, Jakarta Islamic Index, Bisnis-27 and Kompas-100.

## Four Business Divisions

### PROPERTIES

Development rights:  
8,045 ha

Land already acquired:  
4,914 ha

Landbank Inventory:  
1,569 ha

### HEALTHCARE

16 Hospitals with more than a 3,700-beds capacity in the Siloam Hospitals network.

24 Hospitals in the pipeline

National and international accreditations

### COMMERCIAL

#### Malls

Own and/or manage 34 malls (GFA of 2.6 million sqm)

16 Malls in the pipeline

#### Hotels

Own and/or manage 8 Hotels with 1,665 rooms

4 Hotels with 858 rooms in the pipeline

### ASSET MANAGEMENT

Manages 2 public listed REITs in SGX:  
First REIT & LMIRT

USD2.2 billion Assets under management

Town Management



## AWARDS &amp; CERTIFICATIONS

2013



**"Indonesia Sustainable Business Award (SBA) 2013" as Industry Champion in Healthcare for Siloam Hospitals**

Siloam has been granted the prestigious awards "Indonesia Sustainable Business Award (SBA) 2013" as Industry Champion in Healthcare for Siloam Hospitals. The Indonesia SBA competition was held by The Indonesian Chamber of Commerce and Industry (Kadin), in collaboration with Global Initiatives and Climate Business.

**South East Asia Property Awards: Best Developer in SE ASIA 2013 (from Ensign Media)**

PT Lippo Karawaci Tbk won The Best Developer in South East Asia award in the South East Asia Property Awards (SEAPA) 2013 prestigious event which is organized by Ensign Media, the publisher of Property Report South East Asia Magazine based in Thailand and Singapore. This award was based on a rigorous selection process conducted by a panel of judges that consisted of notable financial figures and led by a regional property Alexander Karolik Shlaen, Chief Executive Officer of Panache Management.

**South East Asia Property Awards: Best Developer in Indonesia 2013 (from Ensign Media)**

PT Lippo Karawaci Tbk won The Best Developer in Indonesia award in the South East Asia Property Awards (SEAPA) 2013 prestigious event which is organized by Ensign Media, the publisher of Property Report South East Asia Magazine based in Thailand and Singapore. This award reflects the Company's important presence as a developer who not only builds the Township, but also impacts lives through the development of schools, Hospitals, Malls, and other products that benefit communities.

**South East Asia Property Awards: Best Condo Development 2013 Kemang Village (from Ensign Media)**

PT Lippo Karawaci Tbk won The Best Condo Development for Kemang Village award in the South East Asia Property Awards (SEAPA) 2013 prestigious event which is organized by Ensign Media, the publisher of Property Report South East Asia Magazine based in Thailand and Singapore. The award is proof that the concept of development as the Company did in Kemang Village has received international recognition. Kemang Village which is located in the prestigious Kemang area in South Jakarta is a flagship Integrated Development project of PT Lippo Karawaci, Tbk which is world-class products that has boasted Indonesia.



**Lippo Cikarang received 'Top Performing Listed Companies 2013' (from Investor Magazine)**

This award was received by Lippo Cikarang from Investor Magazine as a result of the very good fundamental and technical performance of Lippo Cikarang as reflected in its trading liquidity and stock price movements.

**Kemang Village received The 2013 iProperty.com People's Choice Award "Most Popular in Indonesia" (from iProperty.com Singapore).**

Kemang Village received "People's Choice Award" on the category of "Most Popular in Indonesia" which is organized by online portal iProperty.com based in Singapore. This award was received based on the selection process chosen directly by the property consumers in Singapore. iProperty.com is a well-known online property portal in Asia, which has offices in Singapore, Malaysia, Hongkong, Indonesia Phillipine and India. This award is another clear indication that the Kemang Village development concept is not only top of mind of property consumers but more importantly has met consumer expectations in term of unique design for comfortable living.

**3rd Asian Excellence Recognition Awards 2013: Best Investor Relations by Company (Indonesia) (from Corporate Governance Asia)**

Lippo Karawaci received the 3rd Asian Excellence Recognition Awards 2013, as Best Investor Relations by Company (Indonesia). This award was presented by Corporate Governance Asia, and it shows that Lippo Karawaci has gained recognition among investment communities in Asia.

**Lippo Cikarang received Favourite Residential Award and Green Property 2013 (from Housing Estate)**

Lippo Cikarang won Favourite Residential Award and Green Property Award 2013 from Housing Estate. Lippo Cikarang received Green Property Awards 2013 for the criteria Green Transportation, category Residential township (>500 ha), in which residential developments were integrated with industrial developments, and the developer provides public transportation in the residential area or shuttle bus providing easy access and affordable transportation for the public who live and work in the same area. In addition, Lippo Cikarang (3,000 ha) is the favourite residential area for middle and middle upper class housing in the Bekasi area as they were able to sell 525 units landed houses and apartments in two clusters and one tower.

**Healthcare Deal of The Year Asia Pacific 2013 Siloam International Hospitals IPO (from Acquisition International)**

Siloam International Hospitals has received "Healthcare Deal of the Year in Asia Pacific" for its IPO from Acquisition International Magazine based in UK. Since 2010, Acquisition International Magazine's annual awards have been celebrating excellence, innovation and performance across the business, legal, financial and investment communities. The award winners are determined through a rigorous process, which starts when they open the ballot boxes and distribute the voting forms through their partners within the industry. They combine the votes received – alongside supporting evidence – with their own in-house research to arrive at the final winners list. This comprehensive selection process ensures that the awards are a true representation of the market and that the winners are truly at the cutting edge of their fields. This award yet another sign that the Company has gained recognition for its excellent performance in its field and has been rewarded by the International community.

# FINANCIAL HIGHLIGHTS

in billion Rupiah, unless otherwise stated

## PROFIT AND LOSS

	2009	2010	2011	2012	2013
Revenue	2,565	3,125	4,190	6,160	6,666
Gross Profit	1,187	1,524	1,896	2,821	3,047
EBITDA	603	854	1,083	1,686	1,801
Operating Profit	481	721	928	1,477	1,512
Net Profit After Tax	388	525	708	1,060	1,228
Basic Earning per Share (Rupiah)	22	30	32	46	54
Number of Shares Outstanding (Shares)	17,302,151,695	21,627,689,619	23,077,689,619*	23,077,689,619*	23,077,689,619*

Note: \* Including treasury stock of 306,104,500 shares as per 15 May 2013

## BALANCE SHEET

	2009	2010	2011	2012	2013
Total Assets	12,128	16,155	18,259	24,869	31,300
Total Liabilities	6,839	7,976	8,850	13,399	17,123
Equity	4,887	7,710	8,834	10,656	12,801

## FINANCIAL RATIOS

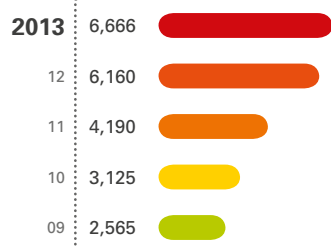
	2009	2010	2011	2012	2013
Return on Assets (%)	3	3	4	4	4
Return on Equity (%)	8	7	8	10	10
Debt to Assets	0.2	0.2	0.2	0.2	0.2
Debt to Equity (Gross)	0.6	0.4	0.4	0.6	0.6
Debt to Equity (Net)	0.3	-	0.2	0.3	0.5
Gross Profit Margin (%)	46	49	45	46	46
EBITDA Margin (%)	24	27	26	27	27
Operating Profit Margin (%)	19	23	22	24	23
Net Profit Margin (%)	15	17	17	17	18





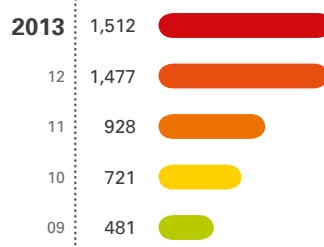
### Revenue

(in billion Rupiah)



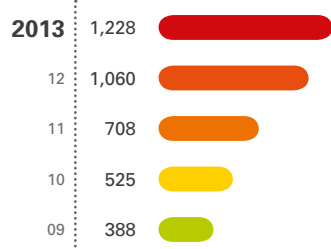
### Operating Profit

(in billion Rupiah)



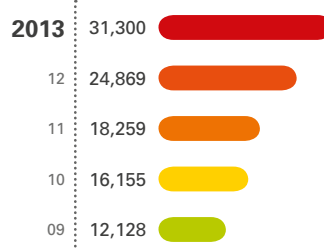
### Net Profit After Tax

(in billion Rupiah)



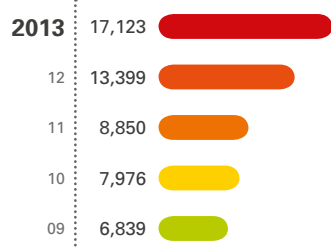
### Total Assets

(in billion Rupiah)



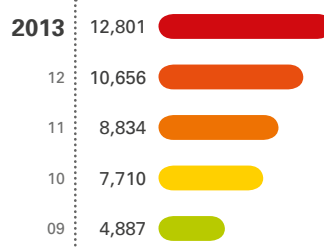
### Total Liabilities

(in billion Rupiah)



### Equity

(in billion Rupiah)



# STOCK HIGHLIGHTS

## Shareholder Structure

(as of 31 December 2013)

Shareholders	Number of Shares	Percentage of Ownership *
Pacific Asia Holding Ltd.	4,126,619,908	17.88%
Public (each less than 5%)	18,951,069,711	82.12%
<b>TOTAL</b>	<b>23,077,689,619</b>	<b>100.00%</b>

Note: \* including 306,104,500 buyback shares (treasury stock) up to the period ending May 15, 2013

## Dividend History

Shareholders Record Date	Payment Date	Dividend/Share	Total Nominal
16 December 1996	14 January 1997	Rp 40.00	Rp 15,194,900,000
22 January 1998	20 February 1998	Rp 10.00	Rp 3,798,725,000
24 August 2005	8 September 2005	Rp 10.00	Rp 29,328,495,630
6 December 2006	20 December 2006	Rp 9.90	Rp 58,648,710,847
7 December 2007	27 December 2007	Rp 4.62	Rp 31,974,376,353
16 November 2010	1 December 2010	Rp 2.88 *)	Rp 49,830,196,893
10 October 2011	24 October 2011	Rp 4.33 *)	Rp 99,926,396,416
30 August 2012	13 September 2012	Rp 7.79	Rp 177,500,000,000
4 December 2013	18 December 2013	Rp 11.85	Rp 270,000,000,000

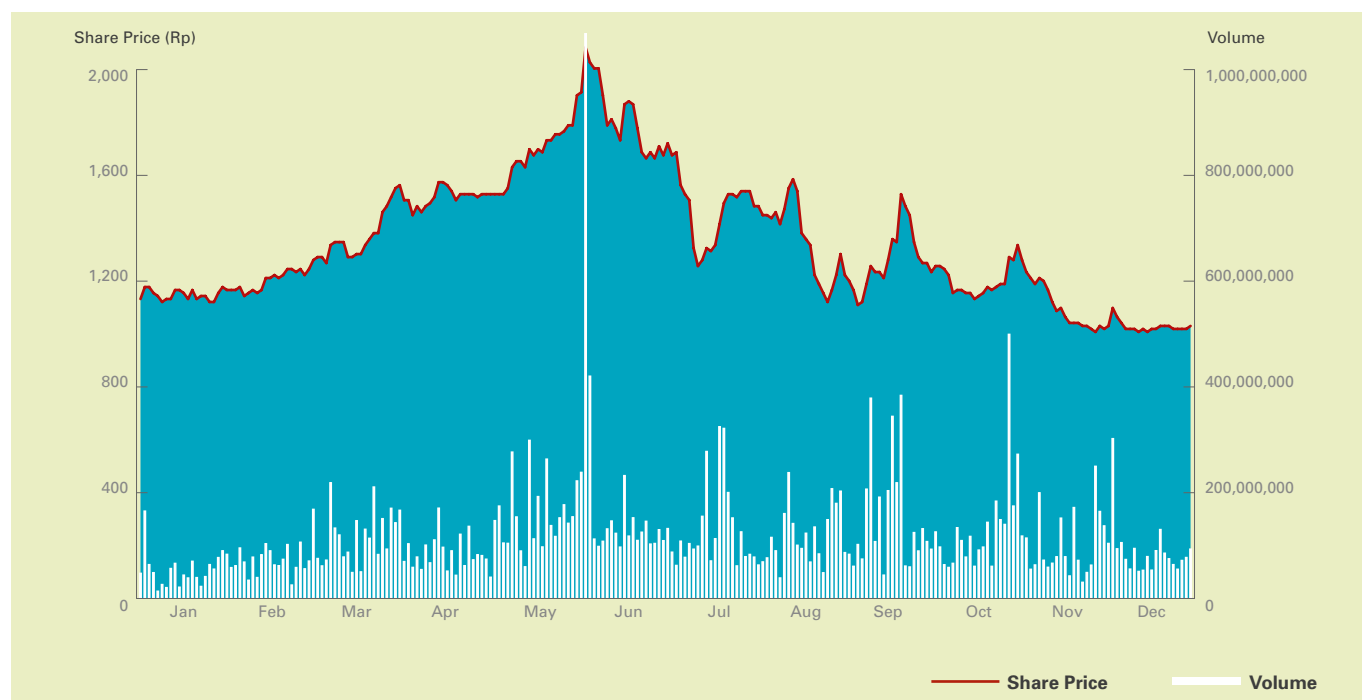
\*) Dividend for the fiscal year 2010 amounting to Rp150 billion distributed as Interim Dividend of Rp50 billion and Final Dividend of Rp100 billion.

## Capital History

Description	Date	Number of Shares	Total Issued Shares
IPO	3 June 1996	30,800,000	30,800,000
Company Listing	28 June 1996	244,000,000	274,800,000
Convertible Bonds	1996	105,072,500	379,872,500
Rights Issue I	27 February 1998	607,796,000	987,668,500
Merger	30 July 2004	1,063,275,250	2,050,943,750
Rights Issue II	20 January 2005	881,905,813	2,932,849,563
Warrant Conversion prior to Stock Split	20 January 2005 - 28 July 2006	279,099	2,933,128,662
Stock Split I	2 August 2006	2,933,128,662	5,866,257,324
Warrant Conversion after Stock Split I	2 August 2006 - 31 December 2006	4,759,748	5,871,017,072
Warrant Conversion	1 January - 30 November 2007	1,049,843,606	6,920,860,678
Stock Split II	26 December 2007	10,381,291,017	17,302,151,695
Rights Issue III	28 December 2010	4,325,537,924	21,627,689,619
Capital increase without Pre-emptive rights	31 May 2011	1,450,000,000	23,077,689,619



## 2013 Share Price Movement



## Summary of Share Price and Trading of LPKR 2012-2013 at Indonesia Stock Exchange

2013

Month	Share Price (Rp)			Share Trading	
	Highest	Lowest	Closing	Volume (units)	Amount (Rp)
Jan	1,050	980	1,030	1,012,226,000	1,027,531,535,000
Feb	1,130	1,000	1,130	1,314,613,500	1,403,659,660,000
Mar	1,380	1,100	1,370	1,924,492,000	2,331,205,955,000
Apr	1,420	1,270	1,350	1,697,571,000	2,285,074,145,000
May	1,840	1,330	1,840	3,950,645,000	6,182,860,330,000
Jun	1,850	1,400	1,520	2,374,336,000	3,844,995,360,000
Jul	1,520	1,070	1,280	2,536,394,000	3,254,376,500,000
Aug	1,420	850	1,150	1,915,299,500	2,255,229,915,000
Sep	1,370	930	1,090	2,775,544,500	3,179,996,260,000
Oct	1,190	990	1,130	2,500,166,000	2,692,960,400,000
Nov	1,150	860	910	1,778,429,500	1,717,697,960,000
Dec	990	870	910	1,497,282,500	1,372,514,440,000

2012

Month	Share Price (Rp)			Share Trading	
	Highest	Lowest	Closing	Volume (units)	Amount (Rp)
Jan	690	650	670	580,709,000	390,832,555,000
Feb	730	660	700	1,044,809,000	732,988,245,000
Mar	830	680	800	1,509,499,000	1,112,278,520,000
Apr	850	790	830	1,095,069,500	902,437,515,000
May	830	740	790	757,609,000	608,680,585,000
Jun	810	720	800	848,727,500	650,429,715,000
Jul	910	790	890	1,049,862,000	881,936,090,000
Aug	1,010	830	870	980,347,000	904,161,320,000
Sep	990	870	990	671,283,500	622,966,585,000
Oct	990	900	930	701,925,500	669,096,905,000
Nov	1,090	910	1,070	1,414,302,000	1,384,604,635,000
Dec	1,120	970	1,000	1,152,800,500	1,177,755,985,000



# EVENT HIGHLIGHTS

## 2013

### Jan

17

Lippo Karawaci announced the grand opening of its modern Siloam Hospital Balikpapan. The inaugural ceremony was officiated by the Minister of Health Republic of Indonesia, Dr. Nafsiah Mboi, Sp.A; Dr. H. Awang Faroek Ishak, East Kalimantan Governor; and Mr. Theo L. Sambuaga, LPKR President Commissioner as well as various distinguished guests.

30

Lippo Karawaci has been voted as the 2nd Best for Investor Relations in Asiamoney Corporate Governance Poll 2012. The award was received at the Asiamoney Indonesia Awards Dinner.

### Feb



7

Park View Condominium  
Depok Tower 1 & 2 Topping Off.

### Feb

23

Lippo Cikarang launched the South Tower in Trivium Terrace Apartment, with average price of Rp386 million per unit. This Tower will be built next to the North Tower which had been launched in Q4'2012.

### Feb

25

Lippo Cikarang commenced the inauguration of the Japanese SMEs Center on 5.3 ha located at Delta Silicon 6 industrial estate. This SME center provides services to small and medium scale investors from Japan who are interested in developing their businesses in Indonesia.

### Mar

25

Toyoya Tsuho Corporation announces that they will enter the Indonesian hotel-residence business by forming a joint venture company, PT TTL Residences, together with Lippo Karawaci, Toyota Housing Corporation and PT Tokyu Land Indonesia, a subsidiary of Tokyu Land Group. PT TTL Residences will develop and operate a 170 room hotel style residence in Lippo Cikarang as the first initiative.

27

Lippo Karawaci received "The 3rd Asian Excellence Recognition Awards 2013" for Best Investor Relations by Company in Indonesia from Corporate Governance Asia.

17

Lippo Cikarang was awarded as a Top Performing Listed Company 2013 by Investor Magazine based on its outstanding share liquidity and trading price.

# May

# Mar

The reclamation of onshore area in Tanjung Bunga, Makassar, South Sulawesi was started in the first quarter. This is in accordance with the reclamation permit of approximately 500 ha that was granted by the government



# May

18

Lippo Karawaci launched Holland Village, a new Integrated Development project in Cempaka Putih, Central Jakarta. At the launched date, 240 units apartment were sold out within 3 1/2 hours. The apartment towers are expected to be completed by end of 2016.

# May



25

Tanjung Bunga launched a new Residential cluster called The Blossom Residence, to be built on 4.3 ha land. The Blossom Residence will be furnished with a 1,500 sqm club house, equipped with swimming pool, children's playground, basketball court, and more.

# Apr

17

Lippo Karawaci announced the grand opening of its USD48 million state of the art referral Hospital (Siloam Hospitals Makassar) in the city of Makassar, South Sulawesi, the gateway to the Eastern provinces of Indonesia and the fastest growing region of the Country. The Hospital will be the most modern in Eastern Indonesia and will transform Healthcare and the lives of the people in those areas. The grand opening ceremony was officiated by Her Excellency the Minister of Health of the Republic of Indonesia, Dr Nafsiah Mboi SpA., MPH; the Governor of South Sulawesi, DR. H. Syahrul Yasin Limpo, SH, M.Si, MH and was attended by community, business and government leaders



# EVENT HIGHLIGHTS

## 2013



### Jun

13

Lippo Karawaci announced the grand opening of its 230 beds state of the art Hospital in TB Simatupang, South Jakarta. The Hospital will be equipped with state of the art equipments such as MRI 3 Tesla, CT Scan 256 Slice, Fluoroscopy/USG 4, X-Ray comprehensive, and Computed Radiography. The opening ceremony was officiated by Siloam Group CEO, Billy Sindoro, and also attended by many ambassadors from Australia, China, India, New Zealand, and South Korea in addition to the community, business and government leaders.



### Jun

18

The joint venture company among PT Lippo Karawaci, Toyota Housing Corporation and PT Tokyu Land Indonesia, a subsidiary of Tokyu Land Group, PT TTL Residences laid the first stone to jumpstart the development of a 170-unit hotel style residence, located in Lippo Cikarang, Bekasi. The ceremony was officiated by Bekasi Major Hj. Neneng Hasanah Yasin, President of Lippo Group Theo L. Sambuaga, and PT Lippo Cikarang Tbk CEO, Meow Chong Loh and officers from Japanese Embassy.

### Jul

6

Tanjung Bunga will develop Residential houses plus Commercial areas on a 32 ha land in the coastal area of Barombong, called Green River View. Green River View will be equipped with sport club, club house, commercial area, food court, healthcare facilities among other facilities. There will be six clusters, and so far the first cluster called Primrose Residence consisting of 250 Residential houses, built on a 4 ha land, has been 50% pre sold. Those middle class houses will be offered at a price of Rp400-550 million per unit.



# Dec

3

Lippo Cikarang won Favourite Residential Award and Green Property Award 2013 from Housing Estate. Lippo Cikarang received Green Property Awards 2013 for the criteria Green Transportation, category Residential township (>500 ha), in which Residential development were integrated with Industrial development, and the developer provides public transportation in the Residential area or shuttle bus providing easy access and affordable transportation for public who live and work in the same area. In addition, Lippo Cikarang (3.000 ha) becomes favourite Residential for middle and upper middle classes housing in Bekasi area as they were able to sell 525 units landed houses and apartments in two clusters and one tower in this year.



## Oct

24

**PT Lippo Karawaci Tbk (LPKR) sold all of its premium office units in Lippo Thamrin, its latest office tower project within 36 hours from sales starting. It is estimated that the tower will cost Rp1.25 trillion to complete. Lippo Thamrin offers 13,055 sqm, however approximately 25,000 sqm in priority passes were sold, hence about 200% oversubscribed. Lippo Thamrin was designed by international architecture consultants DP Architects and Ong & Ong.**



## Nov

6

PT Lippo Karawaci Tbk won The Best Developer in South East Asia award in the South East Asia Property Awards (SEAPA) 2013 prestigious event which was organized by Ensign Media, the publisher of Property Report South East Asia Magazine based in Thailand and Singapore. In addition, the Company also won the award for "The Best Developer in Indonesia" category and "The Best Condo Development for Kemang Village."

## Dec

5

Siloam Hospitals received award "Indonesia Sustainable Business Award 2013 as Industry Champion Healthcare" from Indonesia Chamber of Commerce and Industry in collaboration with Global Initiatives and Climate Business.

# Report from THE BOARD OF COMMISSIONERS

**Theo L. Sambuaga**  
President Commissioner

• Dear Shareholders, •

In general, we closed the year 2013 with notably satisfactory overall performance. Economic conditions in Indonesia showed considerable dynamic movements.

At the end of 2013, Indonesia recorded economic growth of 5.7%, or lower than 2012's growth of 6.2%. This condition was attributed to an export decline coupled by gradually increasing imports, thereby impacting on the weakening of Rupiah against the US Dollar and in turn generating a deficit in the current account and higher inflation of 8.4% throughout 2013.

Global economies, particularly those of the United States and European countries, have yet to show signs of recovery during 2013. Global economic

factors contributed in deterring economic growth in developing countries and overall world economic growth, which only reached 2.9%; as well as stimulating instabilities in the Indonesian economy.

Given such conditions, the government issued various strategic policies addressing the stability of the domestic economy, particularly curbing inflation and securing the national banking system to function effectively. Measures including Bank Indonesia increasing its benchmark interest rate by 175 basis points to 7.5%, coupled with policy revision on micro lending, procedures for payments to developers and other strategic policies, effectively sustained national economic growth, rendering increased optimism for a more promising outlook.

With our credibility, particularly in respect to high quality products, Lippo Karawaci successfully recorded good growth during 2013. We are tremendously confident that Lippo Karawaci's experience and track record generated significant business and performance success.

A portrait of a middle-aged man with dark hair, smiling. He is wearing a dark grey suit jacket, a white shirt, and a yellow tie with a small, repeating pattern. The background is a warm, out-of-focus orange and yellow gradient.

**The Company's 2013 performance provides testimony of corporate strength in effectively executing a growth strategy and anticipating the various prevailing challenges well.**



With our credibility, particularly in respect to high quality products, Lippo Karawaci successfully recorded good growth during 2013. We are tremendously confident that Lippo Karawaci's experience and track record generated significant business and performance success.

The corporate vision and mission represent a benchmark for our future achievements. To that end, the Board of Commissioners provides guidance to the Board of Directors, at all times giving their best and demonstrating Lippo Karawaci's excellence in facing intense business competition. Performance in 2013 gives evidence of our strength, particularly of the Board of Directors and management team who effectively implemented growth strategies and also anticipated many challenges taking place. Nonetheless, we shall not be complacent and will strive to consistently provide the best products and service to customers, while delivering our commitment to create added value for the shareholders.

### Performance in 2013

As a leading property company running an integrated business model in Indonesia, Lippo Karawaci successfully presents high quality property development projects that create quality of life with a beautiful and classy environment for the community. Additionally, Lippo Karawaci consistently

strengthened itself as a leading property developer and market leader in many residential and industrial projects, as well as healthcare and mall operator services.

Throughout 2013, Lippo Karawaci recorded a robust performance, with total revenues from business operations increasing by 8% to Rp6.66 trillion compared to 2012. Furthermore, gross income increased by 8% to Rp3.04 trillion, made up from a 54% contribution from Properties business unit, 21% from Healthcare, 15% from Commercial, and 10% from Asset Management. This income contribution composition indicates a more stable and solid foundation for growth in the Company's performance.

One of the milestones for Lippo Karawaci in 2013 was the Initial Public Offering (IPO) of PT Siloam International Hospitals Tbk at the Indonesia Stock Exchange, with the listing of 156,100,000 shares at the offering price of Rp9,000 per share. The IPO raised total proceeds of Rp1.41 trillion.

Proceed from the IPO will be used for, developing hospitals in various strategic locations, among others.

In line with its outstanding performance, Lippo Karawaci was rewarded with various prestigious awards during 2013, including the prestigious honour

of 'The Best Developer South East Asia' in the South East Asia Property Award (SEAPA) 2013, which was held in Shangri-La Hotel, Singapore on 31 October 2013. In addition, the Kemang Village project garnered accolades for Lippo Karawaci as The Best Developer in Southeast Asia, along with 'The Best Developer Indonesia' and 'The Best Condo Indonesia'. All these awards provide a real testimony of our hard work in creating sustainable growth for the Company.

In fulfilling our commitment to the shareholders as resolved in the Annual General Meeting of Shareholders (AGM) held on 24 April 2013, the Company distributed dividends of Rp11.86 per share, or a total amount of Rp270 billion, which accounts for 25.47% of the Company's net income. This is yet further demonstration of our collective success in continually creating added value for shareholders.

We are confident that the Company has implemented appropriate strategies and a solid foundation to generate accelerated growth in the coming years. Our integrated business model has enabled us to properly adapt and respond to recent developments in the economic conditions, allowing growth of the business in a sustainable manner.

### Corporate Governance

The Board of Commissioners provides guidance to the Board of Directors and the management team in implementing Good Corporate Governance (GCG) within the Company's organization and operations. Steps in GCG implementation are taken in accordance with the duties and responsibilities of the Board of Commissioners, as assisted by the Audit Committee and the Remuneration Committee. Detailed reports from the Committees are incorporated in the Corporate Governance Report section. In addition to applying the GCG principles, we also strive to discharge supervision on the management of the Company by reliable application of Risk Management and Internal Audit processes. This represents both a preventive measure and management of business risks. We are confident that by running more transparent business processes, the Company can sustain its position as a leading property company in Indonesia.

### Changes in the Board of Commissioners Composition

In the AGM, the shareholders resolved to appoint Prof. Dr. H. Muladi, SH as a member of the Board of Commissioners and an Independent Commissioner. We welcome Prof. Muladi with great confidence that his experience and expertise will be tremendously valuable to the Board of Commissioners and the Company.

### Outlook for 2014

The year 2014 will present challenges to businesses throughout Indonesia. The economic condition in Indonesia is projected to remain under the influence of the global economic recovery, which will continue to put pressures on many industrial sectors in Indonesia. Additionally, the general election will be held in 2014 and will likely present its own dynamics to the political and social landscape in Indonesia. We hope that the election will proceed safely and smoothly, such that Indonesia has a leader and parliament members who are dedicated to the nation's prosperity.


With our integrated business model, extensive landbank, strong financial position, and professional human resource within the industry, Lippo Karawaci is confident of recording good performance during 2014. The Company expects that all business lines can provide significant revenue contribution from ordinary and extraordinary business operations, as well as from recurring revenue.

We will undertake an asset-light strategy by divesting mall assets and pursuing a new development concept in the Company's independent townships, which promises a significant increase in revenues for 2014. Also, the hospital

business will continue its rapid pace of growth. We will continually focus on operational performance and implement a growth strategy by development as well as prudent acquisition of hospitals.

### Appreciation

In appreciation to all parties that contributed to our performance and achievements in 2013, the Board of Commissioners sincerely expresses the highest appreciation to the Board of Directors, management team, and all employees of Lippo Karawaci. We would also like to thank all shareholders and business partners for their continued trust and support. With a solid business foundation and the support of all stakeholders, we believe that Lippo Karawaci will continually defend its leadership position as well as attain a higher market share and sustainable growth in the future.



**Theo L. Sambuaga**  
President Commissioner

## Board of Commissioners



**Theo L. Sambuaga**  
President Commissioner

**Agum Gumelar**  
Independent Commissioner

**Tanri Abeng**  
Independent Commissioner

**Muladi**  
Independent Commissioner





**Viven G. Sitiabudi**  
Commissioner

**Jonathan L. Parapak**  
Independent Commissioner

**Surjadi Soedirdja**  
Vice President Commissioner  
and Independent Commissioner

**Farid Harianto**  
Independent Commissioner

# Report from THE BOARD OF DIRECTORS

**Ketut Budi Wijaya**  
President Director

• Dear Shareholders, •

**O**n behalf of the Board of Directors, it's with great pleasure that I present to you PT Lippo Karawaci Tbk's 2013 Annual Report.

## Global Economic Challenges

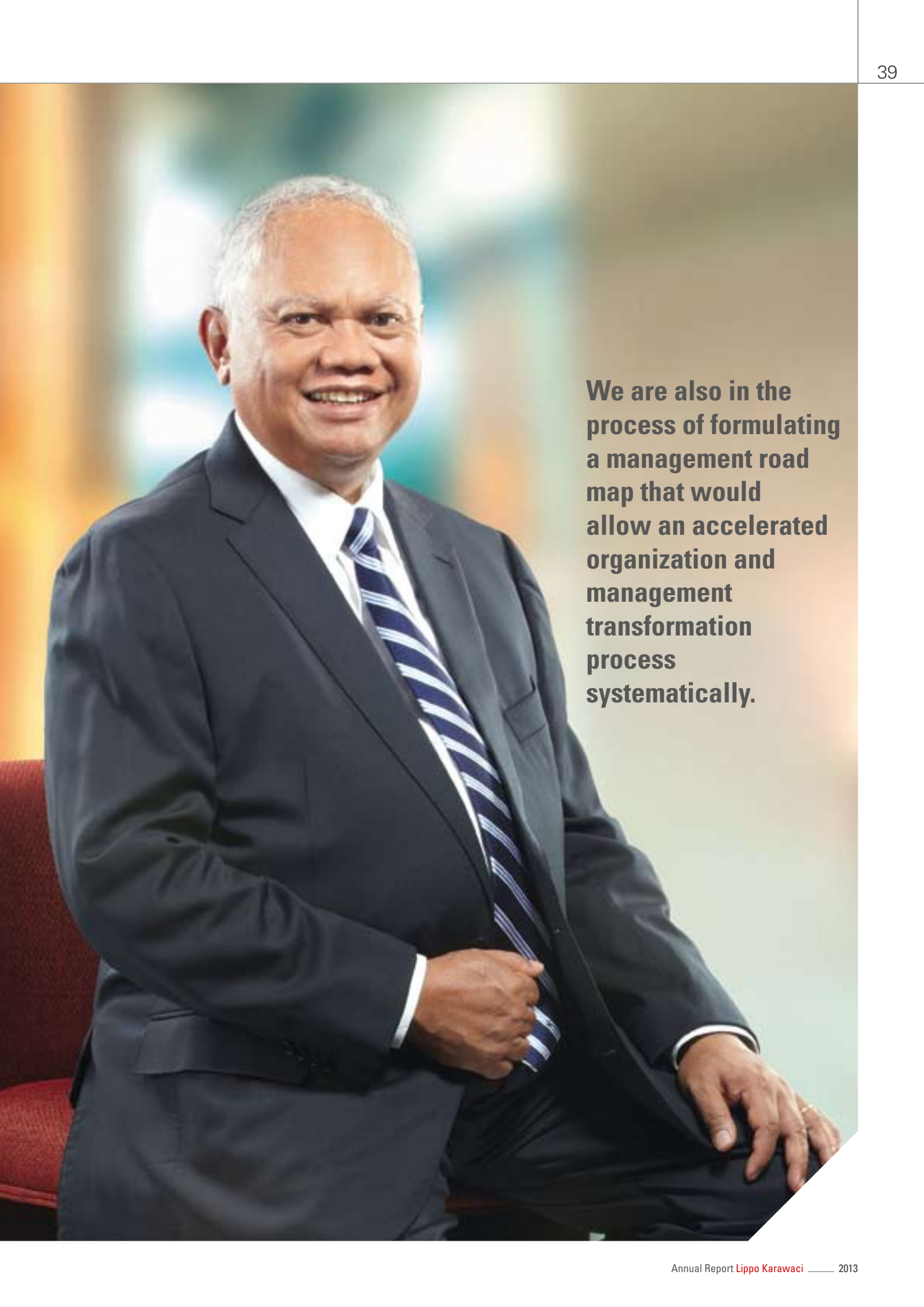
Reviewing all that had happened in 2013, a few points are worth noting: the enduring global economic crisis experienced by the developed countries commencing from the United States of America followed by the European countries which impeded the growth of the developing countries, ultimately affecting global economic growth. The crisis has yet to show any sign of subsiding and global economic growth has not improved as at the end of 2013. The crisis that initially hit the financial and banking sectors eventually influenced all aspects of life in the developed and developing countries, including the decline in the state and household expenditure resulting in the decline of world trade.

Concerns over the shrinking of global liquidity and rising global interest rates which were mainly driven by the US Federal Reserve's policy to taper financial stimulus, has led to a reverse flow of capital, primarily capital that was invested in developing countries back to developed countries. This reversed capital flow weakened the value of the currencies of developing countries and led to a decline of their foreign exchange reserves.

## Indonesia's Domestic Economy

Indonesia being a part of the developing world is not spared from the chain effect of the global economic crisis. Exports of mining and agriculture commodities fell due to declining demand, resulting in weakening of Indonesia's main commodities prices. The wave of reversed capital flow also hit Indonesia resulting in the plunge of shares and securities prices that also pushed down the Rupiah against US dollar.

The Company's achievements in 2013 provided confidence to all levels of our management that the strategies we implemented since 2010 have led the Company to the right direction.



**We are also in the process of formulating a management road map that would allow an accelerated organization and management transformation process systematically.**



Decreased exports reduced income from foreign exchange, while imports were not lowered and the Rupiah weakened, triggering higher inflation. For the first time Indonesia experienced three deficits all at once, fiscal, trade and balance of trade deficits, which were quite high. The government addressed this unfavorable situation by introducing economic policies aimed to maintain the macro economy, particularly to control inflation and sustain a relatively healthy national banking system conducive to the overall economic growth rate. The policies related to an increase of interest rate by Bank of Indonesia by 175 basis points to 7.5%, deregulation of micro credit lending including mortgages by lowering the ratio of credit over property value, regulations on payment arrangements to developers and so on. These efforts were effective in bringing the inflation rate under control and maintaining growth, though lower than originally expected, providing a sense of optimism for a better future.

### Lippo Karawaci in 2013

Encountering the uncertain global situation and unpredictable changes, the Company is strategically prepared to maintain its growth momentum and to establish a solid structure.

Among others, the Company implemented a more flexible financial policy that allowed sufficient room in anticipation of changes in Macro Economic conditions while sustaining an optimal growth rate. In line with this policy, in early 2013 the Company issued USD130 million Senior Notes maturing in 2020 at an interest rate of 6.125%, whereby the proceeds were used to refinance our Senior Notes due in 2015 bearing interest rate of 9%. By doing this, the Company made savings on the cost of debt while improving our debt profile. Up to December 31, 2013 most of the Company's debt would mature in 2019 and 2020 and the debt principal of

USD653 million was fully hedged with a coverage value of USD 1 = Rp12.500 in line with the debt maturity date.

For land inventory, we believe our current landbank of approximately 1,569 ha is sufficient to sustain our development for the next 10 years. In recent years, there has been an increase in the price of raw land for property projects, which on one hand provided additional benefits to the Company but on the other hand led to more expensive purchase of land for the future inventory (landbank). The Company has prepared strategic steps to take advantage of this situation while maintaining the availability of land for development in the long term. For that, the Company made necessary changes to the blueprint of its two major townships by focussing on vertical developments i.e. to build more high-rise apartments, strata title office and commercial facilities and to adjust the supporting infrastructures. These changes would allow more spaces to be provided to customers and would foster a modern lifestyle in the Company's township. This strategy is further supported by demand for Commercial spaces and Urban Development in the vicinity areas outside of Jakarta. With this policy, the Company has been consistently implementing its Asset Light Strategy to develop the Company's future.

The Indonesian property industry is influenced by several Macro Economic policies, amongst others are the increase of interest rate by Bank of Indonesia to 7.5% and the decrease in mortgage value for property purchases and Bank of Indonesia's regulation relating to disbursements of mortgage loans to developers. These policies which were intended to curb the warming Indonesian economy and prevent an increase in the fiscal deficit and inflation, had a significant impact on the demand for property in Indonesia. Rearrangement

of city planning by local governments also affected the development of the property industry in general, and particularly in Jakarta, Indonesia's main property market. In anticipation of that, the Company deferred the sales launch schedule of its several Large Scale Integrated Development projects in Jakarta to 2014 and 2015. Under such conditions, the Company recorded Total Marketing Sales of Rp5.6 trillion, 17% lower than the previous year. However, in 2013 the Company recorded Revenue of Rp3.01trillion from Properties business, a decrease of 11.7% from 2012. The slowdown was due to the decrease in handover of units and apartment project progress.

Another Company resource is its Recurring Income which has become a basic strategy of the Company. This category is mainly driven by the development of the Healthcare business that made essential progress in 2013 with a total increase of 40% in Revenues compared to 2012. Apart from Healthcare, Recurring Income comprises Income from Retail Malls, Hotels, Town Management and Asset Management. This revenue is unique as it is independent of the property cycle and acts as a mitigating factor. As of the end of 2013, the Company's Recurring Income reached Rp3.66 trillion or 54.95% of total Revenue and grew by 33% compared to 2012.

A significant point to note in 2013 is the Company's success in its effort to have the Healthcare unit become a public listed company through an Initial Public Offering (IPO) of 14% of PT Siloam International Hospitals' ("SIH") shares, raising Rp1.4 trillion. SIH IPO was launched despite the Indonesian capital market facing tremendous selling pressure from investors and in the midst of a volatile Macro Economic situation. To us, this achievement reflects capital market

investors confidence that the Company's Healthcare business has a bright future with great potential to keep growing.

Another leading business strategy of the Company is to recycle capital or investments which we implement by sponsoring two Real Estate Investment Trust ("FREIT") listed on the Singapore Stock Exchange namely First Real Estate Investment Trust (FREIT) for Hospital Assets and Lippo Malls Indonesia Retail Trust ("LMIRT") for Mall Assets. In 2013, two Hospitals were successfully divested to FREIT for total Rp1.48 trillion and one Mall asset is still in the process of being divested and is expected to be completed in 2014. At the end of 2013, the two REITs managed a portfolio of Assets valued at USD2.2 billion, consisting of 16 Malls, 10 hospitals, 2 Hotels and 3 nursing homes. The Company believes that this investment recycling strategy will provide an opportunity for the Hospital and Malls divisions to expand more rapidly without burdening the Company's Balance Sheet with a demand for more capital. Both Trusts in Singapore managed to attract interest and deliver a good return on investment for its respective investors.

### Performance in 2013

During 2013, the Company recorded revenue of Rp6.666 trillion, which consisted of Revenues from the property business of Rp3.01 trillion, healthcare business of Rp2.50 trillion, commercial business comprising Retail Malls, Township and Hotels of Rp576 billion and Asset Management of Rp580 billion. Total Revenue increased 8% compared to 2012, where Revenue in 2012 was supported by the Sales of two malls with a total Value of Rp879 billion. If the achievements in 2013 were compared to 2012 without the Sales of the two Malls, the Company's Revenue would have increased by 26%. This increase indicates a consistent performance based on a solid integrated business model.

Along with the increase in the Company Revenue, Gross Profit also increased to Rp3.05 trillion or 8% compared to the previous year. If the Sales of two Malls were excluded from the comparative figures, the Gross Profit in 2013 would have increased by 24%. The contribution of each business is as follows: properties business contributed Rp1.64 trillion or 54% of total Gross Profit, Healthcare at Rp659 billion or 21%, Commercial at Rp451 billion or 15% while Assets Management was at Rp301 billion or 10%.

Operating expenses which were mainly influenced by the increase in inflation, higher wages and increased operating capacity, the increased number of employees and investments in medical equipment, amounting to Rp1.53 trillion, an increase of 14% compared to 2012. The Company continuously strived to achieve optimum efficiency levels by increasing its productivity and leveraging the capacities of the Company's businesses such as the Healthcare business by adding more hospitals.

Our Company's net profit after tax increased by 16% compared to 2012, reaching Rp1.23 trillion and if the Sales of the two Malls in 2012 were excluded from the comparison, the increase in the Company's Net Profit would have been 75%. The increase is indeed encouraging and assures us that the Company is able to grow rapidly, especially in building Recurring Income without having to forfeit profit growth.

Although we are still in the high growth phase, to be consistent with our commitment to Shareholders, the Company distributed Dividends in 2013 amounting to Rp270 billion, a Rp100 billion increased compared to the previous year. We will keep our commitment as part of the added Value to our Shareholders.

The Company's achievements in 2013 provided confidence to all levels of our management that the strategies we implemented since 2010 have put the Company in the right direction. We have built a platform for the Company to pursue a more robust and sustainable development in the future, able to adapt to economic upturn which we expect would enhance a higher value-added to all our Stakeholders, especially the Shareholders and other investors.

### Development of Young Talents

Having seen the progress of the past three years, senior management is aware of the need to accelerate improvement in the organization performance as well as in preparing for succession in the management team who were prepared and capable of delivering an excellent performance and can respond well to future challenges. For this purpose, we made changes to the key personnel in the management by nurturing younger management talent to emerge as part of the organization's natural regeneration. We are also in the process of formulating a management roadmap that would allow an accelerated organization and management transformation process systematically. We expect that this process will become long term sustainable competence for the sustainable development of the Company.

### Implementation of Good Corporate Governance

Considering that the Company's business activities cover international capital markets such as Singapore and many foreign investors have become our shareholders, the Company is aware of the importance of consistent application of good corporate governance through transparency, fairness, accountability, responsibility and independence. Initial steps implemented were the activating of an effective role for

independent committees such as the Audit Committee and Remuneration Committee to assist the Board of Commissioners to conduct their supervisory duties over the management of the Company. Internal Audit has been very active and executed its role more intensively and systematically in 2013.

Furthermore, the Company also implemented an Enterprise Risk Mapping in the internal audit process, so it could perform preventive audits in the process of controlling business risks. Transparent communications with the investor community were constantly made, either through official communication forums such as a public expose or direct visits to influential institutional investors around the world. Feedback received from our investors was used to perfect our corporate governance practices, as well as feedback received from capital market regulators, both domestic and international.

With the launching of the Good Corporate Governance Roadmap by the Financial Services Authority, the Company will immediately review and refine our current corporate governance guidelines to ensure it complies with the GCG quality expected by the capital market authorities and investors. We also focused on improving the implementation of good governance in the field of financial management. Our current rating of BB- by S&P and Fitch as well as Ba3 by Moody's embedded a high responsibility to maintain these ratings.

### Contribution to the Society

As part of the Indonesian country and nation, as well as the corporate community, the Company thoroughly examined the roles it could contribute to be a good corporate citizen including conducting social functions.

This role was materialized in the form of construction of health facilities, ranging from community health centers to low cost medical care, building Hospitals which provided international standard Healthcare services at affordable prices to the general public in smaller cities to boost public awareness of health. Low cost Hospitals will be developed as a model that will be easily replicated in the cities and will support both the central and district government programs in improving the health of all Indonesians.

The Company also actively participates in social activities when natural disasters occur throughout Indonesia, either by sending medical teams or providing financial support to ease the burden of the victims. On a larger scale, the Company actually has quite a big role in creating jobs, increasing economic activity and bringing modern living to areas that have not been developed in Indonesia through the expansion and development of the Company's business into new areas.

### Awards

The Company made numerous achievements in 2013 that attracted the attention of independent parties as evidenced by the following awards we obtained in 2013 including:

- Healthcare Deal of The Year Asia Pacific 2013 from Acquisition International – Hongkong
- Southeast Asia Property Awards: Best Developer in Southeast Asia 2013 from Ensign Media Singapore
- Southeast Asia Property Awards: Best Developer in Indonesia 2013 from Ensign Media Singapore
- Southeast Asia Property Awards: Best Condo Development in 2013 – Kemang Village from Ensign Media Singapore
- Indonesia Sustainable Business Awards 2013 – Industry Champion Healthcare from Global Initiatives and

### Climate Business

- People's Choice Awards – Most Popular in Indonesia for Kemang Village from iProperty.com Singapore
- 3rd Asian Excellence Recognition Awards 2013 – Best Investor Relations from Corporate Governance Asia Hongkong
- Top Performing Listed Companies 2013 Awards for PT Lippo Cikarang Tbk from Investor magazine
- Favourite Residential Award and Green Property Award 2013 for PT Lippo Cikarang Tbk from Housing Estate.

We are very proud of these awards, which give us the confidence that the activities conducted by the Company are on the right track and have provided extensive benefits to society as a whole. It motivates us to pursue even more achievements in the coming years and remains the responsibility of the Company to always deliver the best to all stakeholders at all times.

### Outlook 2014

In 2014, Indonesia will have general elections to elect the members of the House of Representatives in the regions as well as nationally, followed by the election of a new President who will lead Indonesia for the next 5 years. Our Company looks forward to 2014 with confidence but also cautiously ensuring thorough and careful preparation to launch properties, and Hospital and Malls projects all over Indonesia.

Our property projects in 2014 will consist of new project launches located in our Townships as well as in our Mixed Used/Large Scale Integrated Development which mostly consist of apartments, office spaces as well as other Commercial properties. Meanwhile, several Mall projects will be completed or are nearing completion during the year, and the Company plans



to dispose one of our operating Malls to our trust in Singapore as part of our asset light strategy. The gap between the demand and supply of Healthcare services is a supporting factor for our Healthcare business to keep growing by adding more Hospitals and improving the performance of current Hospitals. The Company expects that the Healthcare business would be able to retain its growth level. Meanwhile, the other business units such as Hotels, Town Management and Property Management and other fee based income business are also expected to grow in line with the Company's growth.

### Focus Ahead

Seeing the achievements and track record for the Company thus far, going forward the Company will focus on:

- Increasing sales of properties within the township as well as in our Mixed Used/Large Scale Integrated Development
- Strengthening Recurring Income so as to achieve an adequate level as a balance to our Property business.
- Continue to create innovative products to maintain the sustainable growth and be ready to capitalize on opportunities / demand for the tremendous potentials in the Indonesian property market.
- Maintaining the financial stability of the Company by consistently implementing the asset light strategy and being highly disciplined in prudent financial management.

### Changes in the Board of Directors Composition

In the AGM in 2013, the Shareholders approved changes in the composition of the Board of Directors for the term until the closing of the AGM to be held in 2014. We thank Mr. Elia Yudhistira

Susiloputro, Mr. Jopy Rusli and Mr. Ivan Budiono for their contributions to Company during the tenure of their directorships and for their leadership and active roles to achieve the Company's growth. We also welcomed Mrs. Rahmawaty, a new member to the Board of Directors.

### Subsequent Events After the Period of Annual Report

We would also like to report a significant event subsequent to the auditors report 2013, which was the Company's success, through its wholly owned subsidiary, PT Kalimaya Pundi Bumi, for the placement of 82.5 million SIH shares or 7.1% of the total outstanding shares of SIH, resulting in proceeds of Rp858 billion. The proceeds of this placement will be used to fund our hospital projects as well as related properties business.

### Appreciation

Finally, the achievements in 2013 are the result of the collaboration of all Stakeholders, for which on behalf of the Board of Directors, I would like to thank all employees for their dedication and hard work resulting in the excellent performance in this challenging year. We would also like to thank the Commissioners who have diligently supervised and provided guidance to the Board in carrying out the mandate of the Shareholders. To all business partners, Shareholders and Customers, we thank you for all the support and confidence provided to the management of the Company so that we can achieve another excellent performance in 2013. We hope all the cooperation, support and trust of all parties will continue in 2014 and beyond.



**Ketut Budi Wijaya**  
President Director

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## Board of Directors

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**Ketut Budi Wijaya**

President Director

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**Jenny Kuistono**

Non Affiliated Director

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**Djoko Harjono**

Director

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**Rahmawaty**

Director

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**Tjokro Libianto**

Director

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**Roberto Feliciano**

Director

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# MANAGEMENT

—•Discussion and Analysis•—







# BUSINESS REVIEW

The shifting of contribution toward higher Recurring Revenue is another testament to LPKR's leading business model; lower Development Revenue was balanced by higher Recurring Revenue.

**L**PKR recorded growth in Revenue and Net Profit for full year 2013 of Rp6.66 trillion and Rp1.23 trillion, up 8% from Rp6.16 trillion and up 16% from Rp1.06 trillion in 2012, respectively. Excluding Assets sold to REITS in FY2012, (Pejaten and Binjai Mall totaled to Rp879 billion), Revenue and Net Profit for FY 2013 were significantly up by 26% and 75% YoY, respectively.

Revenue for the Large Scale Integrated Division was up by 7% to Rp1.1 trillion in 2013 from Rp1 trillion in 2012 as Sales from existing projects such as Kemang Village and St Moritz continued in 2013 amid higher interest rates and new Loan to Value (LTV) regulations.

For LPKR's Healthcare division, 2013 was a breakthrough year as PT Siloam International Hospitals Tbk ('Siloam') successfully completed its IPO on 12 September 2013 in the midst of a volatile Global Macro Economic situation. Global and National investors actively participated to make the Initial Public Offering a success.

The Healthcare Business division is also pleased to report that EBITDA grew by 40% to Rp278 billion, while Gross Operating Revenue ("GOR") grew impressively up 40% to Rp2.5 Trillion. Revenue from the seven existing Hospitals grew by 21%, while the nine new Hospitals contributed Revenues of Rp485 billion, representing 19% of GOR. In-Patient admissions were up by an impressive 40% while Out-Patient visits grew by 26%. Net Profit for the year was Rp50 billion, impacted by investments and rapid ramp up in new hospitals.





# 75%

Growth rate of Net Profit in Full Year 2013 compare to 2012, excluding two mall Assets sold in 2012.









LPKR's Commercial Division jumped by 23% in Revenues to Rp576 billion driven by sharp increases in Mall Revenue, which was up by 40% to Rp202 billion.



Hotel Revenue was up by 16% to Rp374 billion as the hotels' average occupancy increased to 72% in 2013 from 66% in 2012 and ARR Hotels was up by 4% to Rp622,209 in 2013 from Rp595,595 in 2012.



LPKR's Commercial Division jumped by 23% in Revenues to Rp576 billion driven by sharp increases in Mall Revenue, which was up by 40% to Rp202 billion, with full year contributions from Kemang Village Mall plus additional soft openings of 3 new Malls. In addition, the growth in Mall Revenue was derived from the 28% jump of average revenue per sqm to Rp215,284 per sqm in 2013 from Rp168,498 per sqm in 2012. Moreover, Hotel Revenue was up by 16% to Rp374 billion as the hotels' average occupancy increased to 72% in 2013 from 66% in 2012 and ARR Hotels was up by 4% to Rp622,209 in 2013 from Rp595,595 in 2012.

Asset Management business, consisting of Town Management and Portfolio & Property Management, grew by 16% to Rp580 billion in 2013 from Rp500 billion in 2012.

LPKR's Recurring Revenue grew by 33% to Rp3.66 trillion which contributed a solid 55% of LPKR's total Revenue for the year. The rebalancing of contribution toward higher Recurring Revenue is another testament to LPKR's business model where lower Development Revenue was balanced by higher Recurring Revenue.



#### Ashraf

Artist, Kemang Village resident dan Lippo Mall Kemang tenant

Ashraf, a talented actor, when asked why he chose to have his first restaurant at The Avenue of The Stars, Lippo Mall Kemang, responded that Lippo Mall Kemang is the biggest mall in Kemang, Kemang is a great place, and it is the center of the Jakarta crowd. He also mentioned that a lot of expatriates are living in Kemang and to bring back one of their old favorites would come hand in hand with the brand itself.

As one of unit owners here in Kemang Village Residences, we could not help but to ask his opinion about it. According to Ashraf, to live in Kemang Village Residences is really efficient. He does not need to go anywhere far to search for food, shop at the mall, and or other needs. "We love Kemang Village," He said.



Asset Management business consisted of Town Management and Portfolio & Property Management, grew by 16% to Rp580 billion in 2013 from Rp500 billion in 2012.



**A. Zaki Iskandar**  
Tangerang Regent

**“The very presence of Lippo Village is very important, it triggers business and economic growth”**

When asked about Lippo Village, Tangerang Regent, popularly known as Pak Zaki said, “I think Lippo Village is a real proof of Lippo Karawaci as a responsible developer in pushing the progress in this region, including in the areas of health care, education and city planning. Lippo Village also helps provide value added and significant contribution to the Tangerang district as a whole”.

He hopes Lippo Village will be able to be the icon of this area, which really gives attention to the interests and comfort of its society, from aesthetic and environmental management to health and education facilities. So Siloam Hospitals, Pelita Harapan University, Sekolah Pelita Harapan, and other facilities will be growing in terms of quality and services, for the benefit of the residents and communities around Lippo Village.





**Cornelia Retnosutarjati**

Head of Water Treatment Plant,  
Town Management Division

## *Developing without causing a Flood*

An appropriate water management technology for a region is not rocket science according to Cornelia Retno from Town Management Division (TMD), a unit that handles Residential area management in the Company. However, first thing you should remember is the commitment. The commitment to a build water treatment facility should be established from the beginning, along with the design of the overall area. This is in order to achieve a balance between building area and water infiltration area. In addition, it should be accomplished while maintaining the aesthetics, the beauty of the residential area landscapes should remain of paramount concern.

"When we were planing the development of Kemang Village (KV) in South Jakarta, we had

a challenge: "Could Lippo guarantee that construction won't add to the problem of flooding in the surrounding area, considering flood is a long-standing issue in the area of Kemang" said Retno. Soon, the team conducted a study of the region.

The selected concept was to maximize the contour of the land, it would look like an open bowl and all the flood potentials in the area were then calculated. And then the lowest point in the region determined, and became the center of the retention pond. Rainwater in this region flows into the retention pond first, with the intention for the water to seep into the ground water layer. In this way, the aquifer is expected to be filled with fresh water and sea water intrusion is prevented from spreading into this region. This initiative is a way to change the destructive power of water, and then to harvest the other benefits of it.

Then the flood control system was developed, taking into account water from the Kemang Raya Street and the surrounding areas, which previously was not equipped with an adequate drainage system.

The ratio of buildings and open area should also be maintained. Kemang Village Master Plan was made with a composition of effective area of the buildings at 35%, the landscape 28% and the remaining 37% as open area for infrastructure, including roads, flood control system, retention pond and water and sewage treatment plants.

Land scarcity and the need for a healthy living pushed KV to build their water and sewage treatment plants vertically. These facilities treat drinking and waste water so that the construction of KV will positively impact its residences and surrounding

areas. Wastewater that has been treated in several stages will be used for fire fighting purposes, the air conditioning system, flushing toilets, and watering the gardens.

With various measures and infrastructure in place, KV leads the water conservation initiative, by managing the destructive potential of water, addressing water pollution and as much as possible avoiding the exploitation of ground water, while taking the initiative to fill again the aquifer.

Nowadays, the grandeur and comfort of Kemang Village is supported by an artificial lake that holds treated water which can be used by people who live in the area.



# Kemang Village

Residences | Shopping | School | Al Fresco Dining | Spa | Country Club | Hotel | Wedding Chapel | Corporate Club | Healthcare | Office

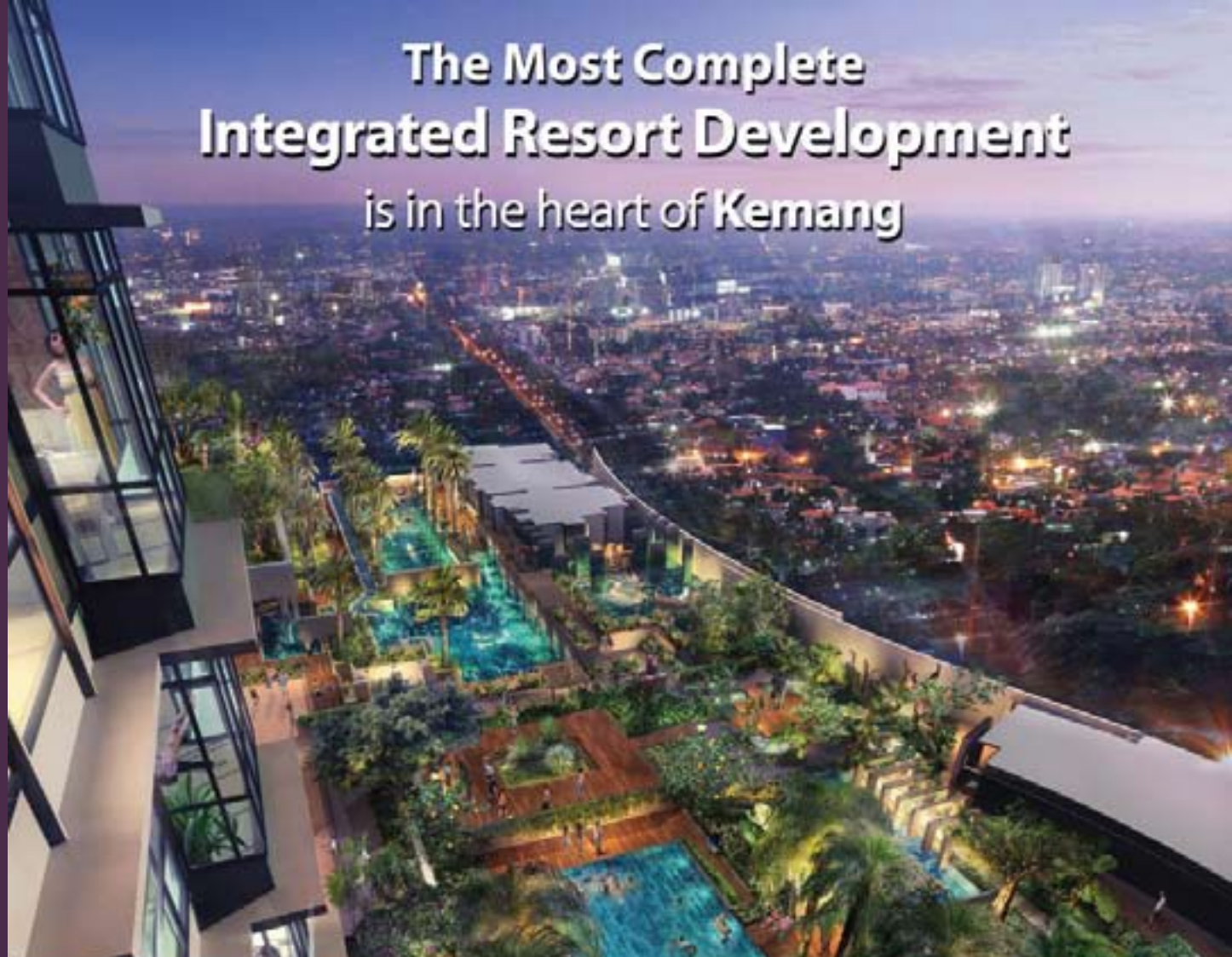
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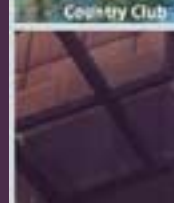











**LIPPO GROUP**  
[www.kemangvillage.com](http://www.kemangvillage.com)



# The Most Complete Integrated Resort Development is in the heart of Kemang



 Country Club	 Exxon Mall	 Wedding Chapel	 Avenue of the Stars	 Giliwani Hospital	and Many More!
 Heavenly Wellness Spa	 Cloud Nine Corporate Club	 JW Marriott Hotel	 Kemang Village Residences	 SPH International	
 Office	 Cloud Nine Corporate Club	 JW Marriott Hotel	 Kemang Village Residences	 SPH International	

Opening Soon !

## Kemang Village Country Club

The Kemang Village Country Club is one fabulous creation. Designed to be the best in the city, the Kemang Village Country Club features a state of the art sports club, spa and wellness center. Inspired by the great exotic spas around the world, it boasts of Jakarta's first and only hydrojet avatonic pool. For those seeking to exercise or simply to indulge, a swim or plunge in the crystal clear blue waters of the rooftop lap pool. And for the young residents, the club offers a specially designed swimming pool, complete with waterslide and kid's fun pool.

**Kemang  
Village**



For Priority Booking:  
**021 72 55 999**  
[www.kemangvillage.com](http://www.kemangvillage.com)  
**Sales Office**  
36 P. Antasari, Kemang

**LIPPO  
HOMES**  
Real Estate Group

Another Luxury Development by:

**LIPPO GROUP**



# DEVELOPMENT BUSINESS

The Company will continue to expand its property development projects in strategic locations throughout the country and strengthen its position as the leading diversified property company in Indonesia.

## Residential & Urban Development

**P**roperty development is the core business of Lippo Karawaci. Lippo Karawaci is the pioneer and leader in Township Development and Large Scale Integrated development projects in Indonesia. With a large and diversified landbank in strategic locations, Lippo Karawaci has successfully developed Townships and residential projects across major cities in Indonesia. At the end of 2013, the Company had a total landbank of 1,569 ha, 77% of this landbank is located in Greater Jakarta. This landbank will be sufficient for a sustainable ten years of development.

In addition to its Townships, Lippo Karawaci also develops Large Scale Integrated projects that combine residential, mall, hotel, office and hospital in one location, to meet the demands of modern society. The Company's Large Scale Integrated projects, among others are Kemang Village, Park View and The Nine Residence, Embarcadero in South Jakarta, The St. Moritz Penthouses and Residences in West Jakarta, Holland Village in Central Jakarta and City of Tomorrow in Surabaya, East Java. In addition, the company also launched Lippo Thamrin Office in CBD Central Jakarta in 2013.

On the back of Indonesia's sustainable economic growth and the growing middle class, the Company will continue to expand its property development projects in strategic locations throughout the country and strengthen its position as the leading diversified property company in Indonesia.





# 45%

In 2013, 45% of Revenues were derived from the development business, which comprises Urban Development and Large Scale Integrated Development.



### Lippo Village: The Leading Edge City

Lippo Village is the first and most significant project of the Company and is located 30 kilometers West of, and easily accessible by toll road from, the CBD of Jakarta. Since being launched in 1993, Lippo Village has evolved to become a modern city with complete infrastructure and facilities, and is professionally managed in accordance with the dynamic needs of modern lifestyles.

Lippo Village is also equipped with high quality facilities such as an international school and university, five condominiums/apartments with total of 12,037 units, four high rise office buildings, a hospital, a general hospital, a five star hotel with 192 rooms, 210,000 sqm of shopping mall, and the 67 hectares golf course and club house. Lippo Village is home to over 58,372 residents and has created jobs for more than 48,600 workers. Lippo Karawaci has constructed more than 112 km of roads and planted more than 56,850 trees within the development.

### Lippo Cikarang: The integrated Residential and industrial city in the east of Jakarta

Through the ownership of 54.4% of its subsidiary PT Lippo Cikarang Tbk, Lippo Karawaci has developed an Integrated Real Estate and Light Industrial Township at Cikarang, Bekasi Regency. This township is located 40 km to the East of Jakarta.

This self contained city is home to more than 45,000 residents. The developments consist of approximately 12,500 houses, the twin tower Crown Court Apartments with total 184 condos, and 892 shophouses and supporting infrastructure such as a 49,250 sqm

shopping center, schools, a hospital, office building, and a five star hotel with 112 rooms. There are more than 820 factories including some of the most well-known world brand manufacturers, such as Kia, Hankook, Danone, Epson to name a few, employing more than 350,000 workers. So far, the company has constructed 180 km of roads and planted more than 91,451 trees within the development. At the end of 2013, Lippo Cikarang owned 288 hectares of land for residential zones and 382 hectares of industrial lots available for future development.

Today, Lippo Cikarang continues to capitalize on its innate creativity, providing quality infrastructure and diverse facilities in an integrated zone. The Company has successfully awakened a sleeping landbank and rapidly converted the area into an Integrated Residential and Light Industrial Township in the East of Jakarta. Lippo Cikarang consistently attracts international entities, such as Hankook and Toyota Tsusho, providing well-balanced living spaces carefully planned into industrial and commercial areas that continue to serve as excellent choices for investment.

### Tanjung Bunga: The Pride of Makassar

Tanjung Bunga is the first and largest Integrated Township developed in Makassar, South Sulawesi, the gateway to the Eastern Indonesia. The town is located in Makassar, South Sulawesi, home to more than 9,878 residents. Since 1997, the Company through its 54% owned subsidiary PT Gowa Makassar Tourism Development Tbk (GMTD), has acquired a large area of undeveloped land, installed critical infrastructure, including a four and



At the end of 2013, the Company had a total landbank of 1,569 ha, 77% of this landbank are located in Greater Jakarta area. This landbank will be sufficient for a sustainable ten years of development.



# THE St. Moritz

Penthouses & Residences

The New Presidential Suite Tower is designed exclusively to become one of Indonesia's most luxurious residences. Every design is catered to meet the highest standard requirements for our sophisticated resident.



Drop Off



Lounge



Main Lobby



Private Lift Lobby

The First and The Only 11-in-1 Integrated Facilities Development in The World

Luxury Living Condominiums | JW Marriott | Clubhouse | Exotic Spa | Convention Center | Luxury Shopping Mall | Entertainment Center | Wedding Chapel | Office Landmark | School by Pelita Harapan Foundation | Executive Helipad

\*Disclaimer : All images contain herein are artist's impression for illustration purpose only and subject to changes without prior notice. Terms & conditions apply.

Another Luxury Development by :

Confirmed Selected Tenants :



JW MARRIOTT

DEBENHAMS

PARKSON

MATAHARI

YAYASAN  
PELITA HARAPAN





90%

The St Moritz - Out of total planned 6 towers, three towers have been 100% completed and on average 90% have been sold.

half kilometer causeway linking the development with the city of Makassar and has constructed 27 km of roads and planted 6,270 trees. To date the Company has acquired 644 ha from its total development rights of 1,500 hectares, excluding 500 ha additional development rights granted by the Government of Indonesia to the Company by reclaiming a mud flats area and establishing approximately 10% of this area to be the 'Center Point of Indonesia'. GMTD has developed 6,136 houses, 136 shophouses and the development area has provided jobs for 11,495 workers. The development area has been equipped with a five star Aryaduta Hotel with 224 rooms managed by the Company in addition to GTC Makassar Shopping Center which is also managed and operated by the Company.

#### San Diego Hills Memorial Park

Lippo Karawaci pioneered the development of modern memorial parks in Indonesia through its San Diego Hills Memorial Park project. This memorial park has an area of 125 ha with a beautiful view and is equipped with a 14 hectare family recreation facility including an 8 hectare man made lake, multipurpose building, a chapel, a food mart, a gift shop and a restaurant. Since San Diego Hills Memorial Park was launched in 2007, up to date more than 33,500 cemetery plots have been sold.

**The St. Moritz Penthouses and Residences is built on a 4 ha land in a strategic location at the heart of CBD Puri Indah in West Jakarta.**

### Large-Scale Integrated Development

A Large Scale Integrated Development is a development project that combines residential, office space, retail, hospital, leisure, education and hospital in a single location. As of Dec 31, 2013, the Company had completed one Large Scale Integrated development, CITO, and had constructed the first phase of two Large Scale Integrated development, nearing completion, Kemang Village and St Moritz Jakarta.

### City of Tomorrow

City of Tomorrow is the Company's first Large Scale Integrated development. It is developed on land area of 2.6 ha in Surabaya, East Java. It is located in a high traffic commercial area in Surabaya between high income residential areas in West Surabaya and the Juanda International Airport. The development consists of seven high rise towers including: a four story 111,633 sqm strata-title mall with 1,300 retail units, an eleven story five star hotel with 200 rooms, condominiums offering approximately 200 residential units with total built areas of approximately 19,963 sqm and six office towers offering 45,523 sqm of office space. Total built area including the shopping center, hotel, condominium, and office towers is approximately 206,438 sqm. As of Dec 31, 2013 approximately 79% of the retail units had been sold.



### **Kemang Village**

Kemang Village is located on a 15 ha area in a strategic location in one of the prestigious and exclusive expatriate residential areas in South Jakarta.

Kemang Village has an upper middle class target market who live and work in this dynamic urban area. The first phase of Kemang Village is a combination of Residential and Commercial development that is built on an area of 8.8 ha. The development includes a leased Mall with total GFA of 130,000 sqm which was opened in September 2012, a five star JW Marriott Hotel, seven condominium towers which have been launched and 98% of total units offered have been sold and four of those condominium towers have been 100% completed and the units have been handed over to the buyers, Pelita Harapan school is catering to 1,200 students, as is a Country Club, a Siloam Hospital and a spa.

### **The St. Moritz Jakarta**

The St. Moritz Penthouses and Residences are built on a 11.4 ha area, in a strategic location in the Central Business District of Puri Indah, West Jakarta. The project was launched in 2008. The development will include six condominium towers, of which 3 towers have been 100% completed and approximately 90% of total units offered have been sold, a 200 suite five star JW Marriott Hotel, one of Indonesia's tallest office buildings, a 125,000 sqm upscale shopping mall, a convention center, an indoor Sea World, a Siloam Hospital, an international school with capacity of 1,000 students, a sports and country club, a wedding chapel, and a spa.

### **Park View Apartment**

The Company launched the Park View Apartment project in 2011. This project consists of two apartment towers being constructed on top of the existing Depok Town Square, a strata title mall built by the Company. Tower I has a total area of 14,500 sqm with 450 units and Tower II has a total area of 14,000 sqm with 389 units.

The target market of this apartment project is the middle-class income population in Jakarta. As of December 31, 2013, 100% of the units offered in both Towers have been pre-sold. The project is expected to be completed by the end of 2014.

### **The Nine Residence**

The Nine Residence was launched in August 2012, and is a modern Residential complex consisting of a condominium tower with 352 units that is equipped with a commercial facility. The project is located in a strategic location in North Kemang, close to the Jakarta CBD, South Jakarta and Kuningan. At the end of 2013, 100% of the total units available have been sold and the project is scheduled to be completed by 2015.

### **Holland Village**

Holland Village located in Central Jakarta, was pre sold in May 2013. The project consists of two apartment towers with a total of 239 units and total area of 42,034 sqm. The development will include a shopping mall, a hospital, office tower and a school. As of Dec 31, 2013, all of the units in the development has been 100% pre-sold.

### **Lippo Thamrin**

Lippo Thamrin located in the heart of CBD Jakarta was launched in October 2013. The project consists of an 18 storey (including parking) building with GFA of 16,476 sqm. As of Dec 31, 2013 all of the 13,055 sqm office space has been pre-sold.

### **Property Marketing Sales**

Total property marketing sales in 2013 reached Rp4.1 trillion. The Urban Development Division contributed Rp2.4 trillion. Total sales of condominium units from the Company's Large Scale Integrated projects reached Rp1.7 trillion in 2013. Two hospitals sold to First REIT accounted for a total of Rp1.482 trillion in 2013.





**Debora Nurtanio, 38 year**

Active Housewife, Culinary  
Businesswoman

## Lippo: Convenient and Never Disappoints Its Consumers

Convenience is the main factor in our consideration when we decided to buy a house, Debora said when asked why they choose to stay at Lippo Village. My husband and I wanted a house that was not really crowded. A house we could use to relax and we can really enjoy as a place with our family after working outside.

Having done a small survey comparing several development projects, we chose to buy a house in Lippo Village. We know for sure that Lippo never disappoints their customers by changing the concept of the development.

Nowadays, quite a lot of houses are built in the front or the back of stores or “ruko”. As a result, views from the houses are blocked by the shop building. Perhaps there are certain people who are not troubled with such conditions, so that they consciously choose residences close to shops. However, that type of housing is not our choice.

My husband, our children and I wanted a house that could we could relax in, with a casual atmosphere. And we got that condition when we bought a house in Rolling Hills cluster in Lippo Village, Karawaci, Tangerang. We got a house that definitely could be considered convenient. If we want to go shopping, we can go to Lippo Karawaci Supermall, which is not too far away. Our children also attend an international school not too far from our cluster. Before conducting daily business activities, I always find time to drop our kids to their school. These things became possible after we moved to Lippo Village.

Compared to other developers, I am very impressed with the way Lippo distributes space in its residential projects. There is no impression that they seek to impose on the land a function that exceeds its capacity. As a result, once we first went into Rolling Hills about a year ago, we felt an instant fit. We did not feel the need to renovate at all.

Another thing that was very impressive when buying a house in Lippo Village

was their speed in responding to consumer complaints. Sometimes we faced a small problem like a jammed door, rain gutters leaking and other things. Despite these being minor and arguably trivial problems, they are often very disturbing. When we reported a problem to Lippo Village, they responded to it very quickly and solved it immediately. And they invited us to check the result. We are completely satisfied with them from the time we first bought the house.

From a financial point of view, buying a house in Lippo Village for investment purposes is definitely beneficial because its value continues to increase. Moreover, to my knowledge, Lippo does not sell a house in a way that is commonly used by other developers, by giving a variety of gifts. For example, by using lottery with lucrative prizes. For me, Lippo actually has made the consumers feel comfortable. Thus, what we buy is already in line with what we get.



**Juliaty Hadiprawira**

Jewelry Designer

When asked about Kemang Village, Juliaty Hadiprawira, a jewelry designer, said that she liked the area. Julia also said that “I also thought it was a good investment and it turned out to be true! The facilities are very convenient, everything is in walking distance”.

Moreover, when asked about Kemang Village promoting green and healthy living, Julia said that “that is a great lifestyle to have. It would be great if we could give back to our planet!”

# RECURRING BUSINESS

The Company is the first and the only one that successfully sponsored the establishment of two public listed Real Estate Investment Trusts (REITs) in Singapore to support its asset light and recycling capital strategies.

**L**ippo Karawaci is a leading diversified property company in Indonesia. The Company derives a significant portion from Recurring Revenue and in 2013, 55% of Revenues were derived from its Recurring business i.e. Hospitals, Commercial and Asset Management. Recurring Revenue is very important for the Company in mitigating risk of operating in the cyclical property business in Indonesia and the Company intends to continue

investing in these business units, balancing a 50:50 ratio between Development and Recurring Revenues. Further, the Company is the first and the only company that successfully sponsored the establishment of two public listed Real Estate Investment Trusts (REITs) in Singapore to support its asset light and recycling capital strategies.

# 55%

In 2013, 55% of Revenues were derived from Recurring business, which comprises of Healthcare, Commercial, and Asset Management.







# Healthcare



Lippo Karawaci will accelerate the development of its Hospitals division with a target to operate forty Hospitals by end of 2017, with total beds capacity of 10,000.

The Healthcare business currently operates and manages 16 Hospitals including three Hospitals in Bali, two Hospitals are located in the townships of Lippo Village and Lippo Cikarang, while other Hospitals are located in Jakarta, Surabaya, Jambi, Manado, Balikpapan, Makassar and Palembang. In May 2013, the Company sold Siloam Hospital Bali and Siloam Hospital TB Simatupang to First REIT for a total of SGD 190.4 million.



Siloam Hospital Lippo Village was the first Indonesian Hospital to receive a JCI accreditation while all other Hospitals have ISO certification.

The Company's Hospitals are equipped with the latest state of the art medical equipments and modern facilities. Among these Hospitals, nine Hospital assets have been sold to First REIT, as part of Company's asset light strategy, and have been leased back by the Company for a period of 15 years. Siloam Hospital Lippo Village was the first Indonesian Hospital to receive a JCI accreditation while all other Hospitals have ISO certification.

Lippo Karawaci will accelerate the development of its Hospitals division with a target to operate forty Hospitals by end of 2017, with total beds capacity of 10,000.

Siloam Hospitals has entered into a memorandum of understanding with Singapore Health Services ("SingHealth") pursuant to which SingHealth will provide training to medical staff and the Company will make arrangements on a clinical basis to refer patients to SingHealth for certain types of specialty care.



# Commercial



In its five-year plan, Lippo Karawaci has a target to build 12-18 malls and to increase the number of Malls under management to 50 Malls, with a focus of developing and managing community Malls which are located in cities with dense populations.

## Retail Malls

The Company's Commercial business unit consists of Retail Malls and Hotels businesses. At the end of 2013, Lippo Karawaci managed 34 Malls across Indonesia with a total Net Leasable Area of approximately one million square meters. Those Malls had an average occupancy rate of 88%, and reached 220 million visitors per year.

From these 34 Malls, three Malls are owned by Lippo Karawaci, sixteen Malls are owned by Lippo Malls Indonesia Retail Trust (LMIR Trust) in Singapore, one owned by First REIT, the other nine are strata-title Malls built by Lippo Karawaci and five other Malls are owned by third parties.

In its five-year plan, Lippo Karawaci has a target to build 12-18 Malls and to increase the number of Malls under management to 50 Malls, with a focus

# 88 %

**The average occupancy rate of the 34 Malls, managed by Lippo Karawaci.**

of developing and managing community Malls which are located in cities with dense populations.

In 2013, the Company added three Malls namely Lippo Mall Kuta in Bali, and two other Malls under management, Palembang Icon and Blu Plaza in Bekasi.

## Hotels

Lippo Karawaci manages eight five-star Aryaduta Hotels with a total of 1,665 rooms, of which three Hotels are owned by Lippo Karawaci.

Three Hotels are located in Greater Jakarta, while the other Hotels are located in Medan, Palembang, Pekanbaru, Manado and Makassar. Lippo Karawaci plans to develop four new Hotels in major cities in Indonesia in the near future.





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ARYADUTA SEMANGGI



# Asset Management

Lippo Karawaci's Asset Management Business Unit consists of companies that manage the two Real Estate Investment Trusts (REIT), whose establishment were sponsored by the Company and listed on the Singapore Stock Exchange; and Township Management.

## Township Management

Lippo Karawaci manages its property developments through its Town Management Division (TMD).

TMD focuses and prioritizes the comfort and convenience of the township's residents. Hence, the division ensures preservation of the community's quality of life through superior services, which include:

- Road maintenance and drainage/ flood control;
- Potable water treatment and reticulation, sewage treatment and 100% recycling;
- 24 hour and 7 days a week 5-layer town-wide security, traffic ease and control, plus road safety;

- Internal and external public transport systems that mainly focus on pedestrian modes, including walkways and cycling paths;
- Planning and building regulations;
- Environmental improvement, maintenance and self-sustainability, targeting a reduction of temperatures, maximizing solid waste recycling and cleaner air, easy access to healthy amenities, and greater and safer sidewalks to schools, university, hospitals, shops and offices.

TMD's effective Town Management services contribute to the rising land value of township properties, as well as in retaining the loyalty of residents.









### Fee-based Income

The Asset Management business of the Company's performance benefits from the successful of the two public listed Singapore REITs, First REIT for Healthcare and LMIR Trust for the Retail Malls. As assets under the two REITs grow, the division benefits from increased management and other fees derived from the underlying assets since Lippo Karawaci has management control over both REITs.

Since the Malls under LMIR Trust are located in Indonesia, Lippo Karawaci operates them through its subsidiary, PT Lippo Malls Indonesia (LMI), managing these Mall properties under contract with LMIR Trust.

LMI is also the appointed operator for the other Retail Malls under the Company's 34 Malls portfolio. The Company also receives fees for the management of the three Hotels owned by third parties under the five-star Hotel "Aryaduta" brand.

### Future Outlook

The Company will continue to accelerate its strategy to capitalize the Value of its four main business divisions. It will continue to create new concepts in Residential and Commercial products and developments that deliver high Value added to its land bank.

Through its expertise in building and managing Hospitals across Indonesia, the Company will also continue to support the development of the Healthcare industry in the country to reach wider market segments.

The Company will also continue to accelerate the implementation of its asset light and recycling capital strategies to boost sustainable growth in its profitability. The Company will execute projects in the pipeline as planned which will continue to increase the Company's Revenue streams and strengthen the Company's leading position in the country.




**Gordon G Benton**

OBE, Dr Design & Tech h.c. (UPH), RIBA  
Ex-Director Design & Development and Lippo Village's first 'Mayor'  
Consultant to PT Lippo Karawaci Tbk.

In the short space of twenty years the Company that became known as PT Lippo Karawaci Tbk conceived of developing the first, sustainable 'Edge Cities', and then 'Downtown' macro block projects. These latter developments incorporated what in fact were the components of these same townships. That these 'green field' sites have been entirely planned, funded, designed, built, marketed, sold and finally municipally managed almost entirely by the private sector is perhaps unique in the history of town development anywhere in the world. This was possible through the confidence that Indonesia would be able with imagination, will and confidence to succeed and at the same time have the ability to raise the funds to provide homes, and sites for industry, as well as develop health, education and commercial opportunities for its citizens in this rapidly developing country. Tens of thousands of families from all income groups who needed homes, those who wanted jobs and those who merely visited to shop, attend a hospital and schools providing childcare through to tertiary education, were provided for in an impressively short number of years. To have achieved this in twenty years must be seen, by global standards, as a most impressive performance.

In what was originally (in 1992) an industry that was very conservative, the original concept was to invest in an environmentally-friendly environment

where the water supply was potable, sewage waste was treated and used for irrigation and returned to recharge the aquifer, streets were swept and solid waste collected every day and recycled, over one hundred thousand of trees planted, public transport systems installed and storm water channelled and absorbed within site boundaries. This was novel, and at the time seen by many as unfundable, not required by the marketplace and surely unprofitable. But the 'dream' was to build conurbations that would encourage the development of happy, healthy and prosperous communities, safe, with reliable services and utilities, in a beautifully created 'natural' environment.

To see in these twenty exciting years not just the growth in prosperity of the township residents, but the rapid economic development of the surrounding villages outside of the towns' boundaries as a direct result of the work opportunities that these designed environments offer, is critically important. This is of huge significance to the continuing prosperity and security of the Lippo developments, as well as the reputation of the provinces and the country. It has been a matter of considerable satisfaction to the Company and those who have worked so enthusiastically to see these satisfactory results. It is pleasing that the Company has kept to the 'dream' and at the same time prospered. Its efforts are seen nationally as well as internationally as pioneering, innovative and a model in the creation of major community development in the region.

A revealing fifteen and thirty year sustainable strategy for Lippo Village has been recently prepared and will guide the future philosophical and design policies of the present and all future projects. This long-term interest in the future of a developer's project is perhaps not unique but nonetheless is seen by management as strategically important for the Company's continued development in terms of financial success, protection of its landbank value and, and from its clients' points of view, a continued enhancement of value of their investment. These long-term strategies are revealing in transportation imperatives, sustainable services and utilities in terms of reliability and value-for-money to its customers, mounting waste disposal quantities, relationships with the surrounding villages and environment, and giving direction as to where the Company will move over the next many decades. A long-term strategy for each and every project is seen as critical to the success of the Company, and, indeed its responsibility to its shareholders, clients and the nation.

# FINANCIAL REVIEW

Lippo Karawaci business is unique, in terms of significant proportion of its Recurring Revenue. The Recurring Revenue of the Company is countercyclical, mitigating some of the risk of operating in the cyclical nature of the development property businesses, particularly in Indonesia.

**L**ippo Karawaci develops residential, landed houses as well as high rise condominiums, office towers, Hospitals, Retail Malls, five star Hotels as well as light industrial properties throughout Indonesia, with the majority of its current developments based in and around several major big cities such as Greater Jakarta, Surabaya, Medan, Makassar, Manado, and Bali.

By end of 2013, the Company operated 16 Hospitals under the Siloam Hospitals network, managed 34 Malls, as well as own and/or managed 8 five star Hotels under the Aryaduta brand name. In addition, the Company also provides a broad range of infrastructure services to the residents in each Township and manages the two public listed Real Estate Investment Trust ("REITs") in Singapore, namely First REIT for Healthcare and LMIRT for Retail Malls. In 2013, Lippo Karawaci booked total Revenues

of Rp6.666 trillion, EBITDA of Rp1.801 trillion and Net Profit of Rp1.228 trillion. The Company's Market Capitalization as of December 30, 2013 was Rp21 trillion based on the closing price per ordinary share on the IDX of Rp910.

Lippo Karawaci's business operations are organized into four main business units:

- Properties
- Healthcare
- Commercial (Retail Malls and Hotels)
- Asset Management

The Company's businesses and results of operations are affected by the following significant factors:

## Composition of the Business Units

Lippo Karawaci business is unique, in terms of significant proportion of its Recurring Revenue. The Recurring Revenue of the Company is countercyclical, mitigating some of the risk of operating in the cyclical nature of the development property businesses, particularly in Indonesia.





In 2013, 45% of Lippo Karawaci's Revenues were derived from the property development business, which comprises the development and sale of residential, commercial and light industrial properties from its Urban Development and Large Scale Integrated Development projects, while 55% of its Revenues were derived from Recurring Revenues, which comprises the Revenues from the operation of its Hospitals, Retail Malls, Hotels and Asset Management.

### **General Macro Economic Conditions in Indonesia**

The Company's business operations are subject to the general Macro Economic conditions in Indonesia, including property and other market pricing trends that affect Sales of our properties, standard of living, levels of disposable income, levels of foreign direct investment, demographic changes, interest rates, the availability of consumer financing and increases in utility and fuel costs. Each of these factors affects the levels of our property Sales and demand for our Healthcare

services, as increasing standard of living have allowed individuals in Indonesia to spend more money on Healthcare and other related services. In addition, the Hotel business will be much affected by tourism in Indonesia as well as business travelers which are directly tied to the country's stable political and macro economic conditions.

### **Growing Middle Class in Indonesia**

Lippo Karawaci's property businesses are generally targeted to middle and upper-middle income consumers in Indonesia. Home purchasers in the middle income segments accounted for approximately 49.8% of Greater Jakarta condominium market Sales as of December 31, 2013. In addition, Lippo Karawaci, also targets mostly middle and upper middle income patients for its Hospitals business and will continue to invest in retaining the best medical talents and state of the art medical technology and telecommunication devices to provide the best Healthcare services in the region.

### **Fluctuations in Interest Rates**

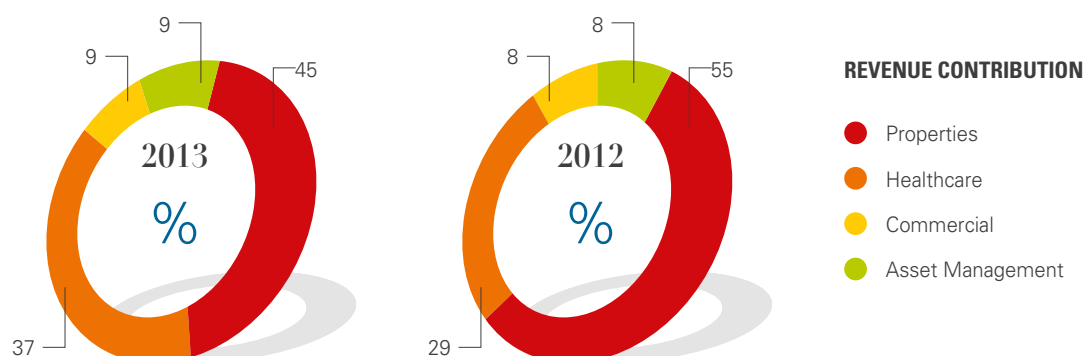
The Company's Development Revenue is impacted by fluctuations in interest rates. Lower interest rates will result in an increase of property Sales as lower rates will make it easier for consumers to qualify for and secure financing.

### **Impact of Exchange Rate Movements**

Lippo Karawaci is exposed to fluctuations in the value of the Rupiah against other foreign currencies, especially US Dollars. For the purposes of preparing its consolidated financial statements, the accounts of foreign subsidiaries are translated into Rupiah at each Balance Sheet date. Fluctuations of Rupiah against other foreign currencies exchange rates have resulted in the recording of a net foreign exchange gain or loss.

### **Government Spending**

The success of Lippo Karawaci's developments depends, in part, upon the quality of infrastructure surrounding its properties and their



accessibility. Government plans to upgrade transportation infrastructure in Jakarta, including improved access to the Jakarta CBD and surrounding areas and a more efficient systems of transportation systems, may in turn increase Sales and occupancy levels in Lippo Karawaci "Edge Cities" if completed. The realization of these infrastructure development plans, however, is dependent upon the Government policies. Additionally, levels of Government spending and other Healthcare initiatives directly impact the demand for our Healthcare services.

### Government Regulations

All of Lippo Karawaci's business units are subjects to Government regulations and require licenses and permits necessary to operate each business units. In particular, Healthcare is subject to extensive government regulation and new regulations could have a significant and possibly unfavorable effect on the price and availability of its Healthcare services.

### Construction and Raw Material Expenses

Lippo Karawaci's property development businesses are subject to fluctuations in construction expenses and raw materials expenses necessary to

complete its projects. Construction on a particular property will typically begin when the amount of pre-sales can cover construction costs, but the increases (or decreases) in construction costs after the project begins mean that projects will become more (or less) expensive for us to finish than we had originally planned.

## Revenues 2013

### DEVELOPMENT REVENUES (in billion Rupiah)

Rp3,007

### RECURRING REVENUES (in billion Rupiah)

Rp3,659

### Inpatient and Outpatient Services and Demand

Lippo Karawaci derives a portion of its Revenues from the operation of its Hospitals, which in turn generate Revenue from providing inpatient and outpatient services. The inpatient Revenue is highly dependent on the number of beds Lippo Karawaci's Hospitals operate, the bed occupancy ratio and the average revenue earned per patient day and outpatient Revenue is highly dependent upon the number of outpatient visits and the average revenue per outpatient visit. The volume of inpatient and outpatient visits is driven by, among other things, the Hospital's image and brand reputation, the type of services offered, the state of the art of medical equipments each hospital operates, the clinical reputation of accredited specialists and doctors, the degree of competition from other Hospitals, and the broad acceptance of health insurance programs.

### Hotel Occupancy Rates and Room Rates

Lippo Karawaci derives a portion of its Revenues from the operation of its Hotels which are primarily dependent on occupancy rates, room rates and the number of rooms available at each of our Hotels. Key factors affecting

occupancy rates include travel pattern of the Hotel guests, competition from other Hotels and location and the quality of services and facilities on offer. A key factor affecting room rates is the type of booking. Wholesale room bookings and travel group bookings receive higher discounts, due to volume of these bookings, than individual bookings, including walk-in guests and occasional small group guests.

### **Funding Position of First REIT and LMIRT**

Part of Lippo Karawaci's development funding plan involves the sale of stabilized properties that the Company has developed to First REIT and LMIRT, the two public listed REITS in Singapore that the Company sponsors and manages. The ability of these two REITS to purchase the properties from the Company, and subsequently provide funding for the Company for further development, depends on the financial positions of the REITS, including their ability to raise additional capital through the issuance of Equity or Debt.

### **Performance of REITS that Lippo Karawaci Holds**

The Company holds a share in the two REITS that the Company also manages, which the Company acquired through purchase of units, participation in rights offering and in lieu of management fees due to the Company. As a liquid security, the Company is required by Indonesian GAAP to hold these units as an available for sale financial asset and revalue these units at each Balance Sheet date. Any changes in the value of these units are reflected in the Company statements of comprehensive income as other comprehensive income net of tax. Accordingly, the Company's total comprehensive income may fluctuate significantly according to the performance of these REITS units.

## **Sales, Marketing and Pricing**

### **Urban Development and Large Scale Integrated Developments**

Lippo Karawaci employs a strategy of pre-selling its properties prior to construction. Rather than relying only on traditional real estate brokers or mass media advertising, pre-selling is conducted principally by freelance marketing teams consisting of approximately 5,000 club members who work on commission basis, with approximately 4,500 members in the Lippoland Club. These club members participate in training courses to enable them to effectively market the Company's properties and products. Commissions are calculated as a percentage of sales, starting at 1.5% depending on the number of properties sold. In 2013, approximately 37.7% of revenues from Urban Development, Commercial and Light Industrial property Sales are generated by the Lippoland Club marketing efforts.

The Company's internal sales and marketing department is responsible for managing the freelance marketing teams and other sales and marketing functions. The sales managers and marketing managers cooperate closely to determine the appropriate advertising and sales plans for each particular development. They also work together to plan and organize efficient and orderly on-site sales presentations, conduct market research, design sales and pricing strategies, collect customer data and comments and prepare feasibility studies based on market analysis.

To highlight new developments or products, the Company regularly engages in promotional activities, including advertising in the Indonesian print and broadcast media and arranging

promotional events. These activities have been particularly important to the success of the Company's Commercial business unit. For the year ended December 31, 2013, marketing expenses were 8% of total Revenues for these two business units.

Lippo Karawaci's property prices are initially set based on a number of criteria, including a property's location, the target market, the size of property being sold, the amenities provided, and general market conditions in effect at the time of pricing.

Lippo Karawaci offers three payment alternatives to its purchasers: cash sales, mortgages and up to 36 months installment plans. The Company typically offers a discount to its listed price, with the amount of discount dependent on the type of payment selected by the purchaser. The pricing options are designed to encourage cash sales and to permit flexibility to offer discounts while maintaining targeted profit margins.

### **Cash Sales**

Cash Sales provide a source of financing through which the Company can develop necessary infrastructure or buildings without having to rely on third party financing.

Cash Sales for which payment is made in full at closing provide the purchasers with the largest discount on the purchase price, typically 25%-30% from listed price.

### **Mortgages**

Purchasers of properties may choose to finance their purchases through mortgages or other bank financing. For this type of payment, the Company offers a discount on the purchase price approximately 20%-25% from listed price.



### Installments

Purchasers of Residential and certain Commercial and Retail property may elect to pay a portion of the purchase price at the time of sale, which ranges between 10% and 20%, and pay the remaining balance in equal monthly installments for up to 36 months. The Company generally offers such purchasers a discount on the purchase price approximately 10%-15% from listed price.

The table below set forth information with respect to the various payment alternatives for certain of the Company's developments for the year ended December 31, 2013

Project	Cash	Mortgage	Installment
Lippo Village Residential	44%	41%	15%
Lippo Cikarang Residential	4%	36%	60%
Light Industrial	26%	4%	70%
Commercial	7%	0%	93%
Tanjung Bunga	7%	59%	34%
San Diego Hills Memorial Park	64%	0%	36%
Kemang Village	71%	18%	11%
St Moritz	61%	34%	5%
Holland Village	23%	48%	29%
Lippo Thamrin Office	17%	71%	12%
Park View	92%	0%	8%
Nine Residence	28%	38%	34%

The Company expects to continue to take advantage of installment sales arrangements, which will be made available to all residential purchasers and certain purchasers of light industrial properties who make the requisite down payments. The Company retains title of all property purchased on an installment basis until the purchase price has been fully paid. If the installment purchaser does not meet its payment obligations, the Company, pursuant to the standard sale and purchase contract, is entitled to cancel the sales contract and re-sell the property without undergoing foreclosure proceedings, and is entitled to retain a portion of any payments made prior to default. The Company believes that the risk of forfeiture of prior payments will create a strong incentive for installment purchasers to avoid default under their sales contract with the Company.

### Healthcare

Lippo Karawaci's target market includes middle low, middle and upper middle income Indonesian consumers who require high quality domestic Healthcare services. The Company's Hospitals are operated under the "Siloam Hospitals" brand. Advertising of its medical services is somewhat constrained in Indonesia by the strict controls imposed by the Advertisement Code of Conduct. The Company markets to insurance companies and corporations by offering medical check-ups as well as seeking to promote its services through general practitioners who refer patients to the Company's Hospitals.

Based on the Indonesian Hospital Code of Conduct, Hospitals may promote only informative marketing; such marketing may not be comparative, must be based on facts and not excessive. The Indonesian Advertisement Code of Conduct stipulates that Hospital advertising is only allowed if the Hospital is presented as a business entity that offers available services and the facility and Hospital may not advertise sales promotions of any kind.

### Retail Malls

The Company's sales and marketing strategies for Retail Malls parallel those in its Urban Development and Large Scale Integrated Development business units. Advertising in the Indonesian print and broadcast media and arranging promotional events have also played critical roles in the success of the Company's retail property developments.

### Hotels

Lippo Karawaci's Hotels are marketed under the Aryaduta brand. Marketing of the Company's Hotels is primarily targeted at business travelers as substantial income is also derived from the Meetings, Incentives, Conventions and Exhibitions (MICE) related activities provided at our Hotels.

The Company utilizes many different advertising channels to market its Hotels including Indonesian and international print media, direct contact with domestic and international travel agents and representation and participation at travel conferences and travel industry presentations.

### Critical Accounting Policies

Lippo Karawaci has prepared its financial statements using accounting principles and reporting practices in accordance with Indonesian GAAP. Preparations of the financial statements require management to make certain estimates and judgments through the critical accounting policies described below.

### Revenue and Expense Recognition

The Company recognizes revenues from the sale of real estate using the full accrual method, where specified criteria are met. For Sales of vacant land, the criteria to be met are as follows:

- Payments received from the buyer have reached 20% of the agreed selling price and the amount is non-refundable;
- The collectability of the sales price is reasonably assured;
- The receivables from the sale are not subject to future subordination against other loans which will be obtained by the buyer;
- The process of land development has been completed (i.e. the seller is not obliged to develop the sold lots through construction or development of infrastructure in accordance with the sales and purchase agreement or any regulation requirements); and
- The sale consists only of vacant land, without any obligation of the seller to construct any buildings upon the land sold.

For Sales of residential houses, shophouses and other similar types of buildings, including parcels of land, the criteria to be met are as follows:

- The sale is consummated;
- The collectability of the sales price is reasonably assured;

- The receivables from the sale are not subject to future subordination against other loans which will be obtained by the buyer; and
- The seller has transferred to the buyer the usual risks and rewards of ownership through a transaction representing a sale in substance and the seller does not have a substantial continuing involvement with such property.

Sales of shopping centers and apartments are recognised based on the percentage of completion method, if all of the following criteria are met:

- The construction process is beyond the preliminary stage, meaning that the building foundation has been completed and all of the requirements to start construction have been fulfilled;
- Total payments received from the buyer are at least 20% of the contract sales price and such amount is not refundable; and
- The amount of Revenue and cost related to the unit property can reasonably be estimated.

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities still to be accomplished. If a real estate sale fails to meet the criteria of full accrual method, Revenue recognition is deferred and that transaction is recognised using the deposit method until all of the conditions of full accrual method are fulfilled.

The cost of land parcels sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its

improvement and development. The cost of residential houses and shophouses sold is determined based on the actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included under "Accrued Expenses". The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current year.

Revenue from medical services is recognised when medical services are rendered or when medical supplies are delivered to patients. Rental Revenue and other services are recognised 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 recognised as Revenue over the period benefited. Other expenses are recognised when incurred (accrual basis).

### Hedging

Lippo Karawaci has hedged 100% of its foreign currency debts amounting to USD 653 million through derivative contracts with several international banks namely JP Morgan, BNP Paribas, Morgan Stanley, Deutsche Bank and Nomura.

### Solvability

The solvability ratio shows the ability of the Company in fulfilling its overall Liabilities including its financial Liabilities such as interest bearing Liabilities. This ratio can be measured by comparing total Liabilities to total Assets, as well as by comparing total financial Liabilities to Equity (Debt to Equity Ratio).

Lippo Karawaci's solvability ratio based on the comparison of total Liabilities and total Assets as at 31 December 2013

and 31 December 2012 were 54.7% and 53.8% respectively. Whilst the solvability ratio of the Company based on the comparison of Total Debt and Total Equity were 60% as at 31 December 2013 and 56.4% as at 31 December 2012. In addition, its Net Gearing Ratio in 2013 was 0.46. It has been the Company's policy to keep this ratio below 1x level.

The solvability ratios of the Company are within a relatively moderate range and reflect a sufficient amount of Company assets and equity to cover total liabilities.

### Rentability

Rentability ratio is defined as the ability of a company to produce profit within a certain period. It can be measured by calculating the Net Profit margin, Return on Assets (ROA) ratio and Return on Equity (ROE) ratio.

Net Profit margin of the Company both in 2013 and 2012 were 18% and 17% respectively. The Company's ROA both in 2013 and 2012 were 3.9% and 4.3% respectively. The ROE ratios of the Company in 2013 and 2012 were 9.6% and 9.9% respectively.

### Management Analysis

There were several adverse macro economic conditions that impacted Indonesia in 2013. On the macro economic front, concerns over global liquidity and rising interest rates from US fed tapering off its financial stimulus has triggered a reversal of investment from emerging markets back into developed markets. This particular sentiment negatively widened the Indonesian Balance of Payments deficit as foreign investments were substantially withdrawn from Indonesia.

As the economy still reeled from slower global growth, lower demand for raw materials dampened the price of commodities, which is the backbone of Indonesia's exports. Consequently the effect widened Indonesia's current account deficit to 3.4% of GDP in 2013 from previous 2.7% of GDP in 2012. Faced by three pronged attacks from Rupiah depreciation, higher inflation and widened current account deficit, the Indonesian government enacted aggressive tightening policy by raising BI's benchmark rate by 175 bps to 7.5% in 2013.

The Indonesian Rupiah plummeted severely as the Rupiah depreciated against USD approximately 26% during 2013 to Rp12,189/USD at the end of 2013 from previous Rp9,670/USD at the end of 2012, which contributed to higher imported inflation. Higher headline inflation in Indonesia was also affected by administered inflation through government rising fuel cost in mid 2013.

### LPKR Business Review

Despite unfavorable macro economic climate, the diversified business model of PT Lippo Karawaci Tbk. ("LPKR") once again proved its resilience as group revenues still increased by 8.2% to Rp6.7 trillion in 2013 from Rp6.2 trillion in the previous year. LPKR's 2013 Net Income growth rate significantly outpaced Revenue growth rate. With higher Net Income margins, LPKR's bottom line grew by 16% to Rp1.2 trillion from Rp1.1 trillion in 2012. Excluding the Rp879 billion in Revenue gain from Sales of Pejaten Village Mall and retail spaces in Binjai Mall in 2012, LPKR's Revenue and Net Profit grew by 26% and 75% YoY respectively.

Lengthy legal documentation and permit processes, particularly in Jakarta affecting the coefficient building ratio have pushed LPKR to postpone the launch of its several Mixed Used development projects, including the Sales of one Mall asset to the Real Estate Investment Trust ('REITS') which was still in the administrative process and is expected to be completed in 2014.

### Future Plans

LPKR will continue its transformational journey to increase Shareholders and brand Value. We are shifting our focus towards high rise projects in order to optimize our assets as our resolve and efforts will continue to strengthen, supported by our asset light, recycling capital and ten-year-supply of landbank strategies.



## Consolidated Financial Review

### TABLES ON CONSOLIDATED PERFORMANCE

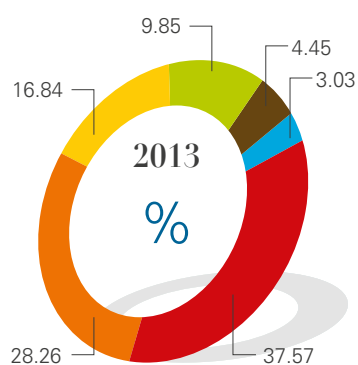
Table Consolidated Financials (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	6,666	6,160	8.2%
Gross Profit	3,047	2,821	8.0%
Operating Profit	1,512	1,477	2.4%
EBITDA	1,801	1,686	6.80%
Net Profit	1,228	1,060	15.8%

Table Consolidated Financials (in Rp billion)	2013	2012*	% Increase/ Decrease
Revenue	6,666	5,281	26.2%
Gross Profit	3,047	2,456	24.1%
Operating Profit	1,512	1,111	36.1%
EBITDA	1,801	1,349	33.5%
Net Profit	1,228	702	74.9%

\* Revenue in 2012 excluded Rp879 billion gained from the sale of Pejaten and Binjai Malls to REITS

### Revenue

#### CONSOLIDATED REVENUE

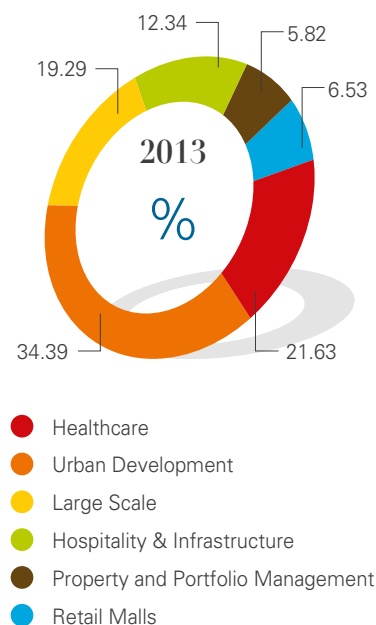


- Healthcare
- Urban Development
- Large Scale
- Hospitality & Infrastructure
- Property and Portfolio Management
- Retail Malls

2013 Revenue was up 8.2% to Rp6.7 trillion from previous Rp6.2 trillion particularly due to a 40% increase in Hospital Revenue to Rp2.5 trillion from previous Rp1.8 trillion. In 2013 LPKR's Recurring Revenue business had a banner year contributed 55% to our top line.

### Gross Profit

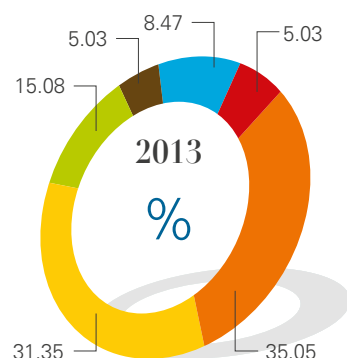
#### CONSOLIDATED GROSS PROFIT



In 2013 LPKR's Gross Profit was up 8% to Rp3.0 trillion from Rp2.8 trillion in 2012. LPKR has been able to maintain its Gross Profit margin at 46% despite an increase in some component of Cost of Goods Sold in 2nd half of 2013 due to Rupiah depreciation and inflation on raw materials.

## Operating Profit

### CONSOLIDATED OPERATING PROFIT

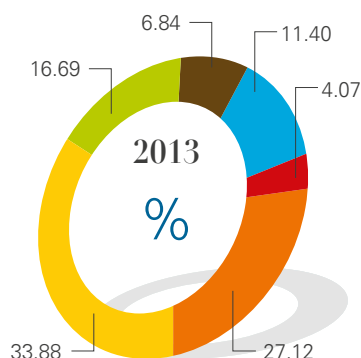


- Healthcare
- Urban Development
- Large Scale
- Hospitality & Infrastructure
- Property and Portfolio Management
- Retail Malls

The Operating Profit margin was maintained at 23% in 2013 compared to 24% in 2012, resulting in a slight increase of Operating Profit by 2% to Rp1.51 trillion from Rp1.48 trillion in 2013 and 2012 respectively. EBITDA was up 7% to Rp1.8 trillion from Rp1.7 trillion in 2013 and 2012 respectively, in line with the increase in Revenue and Gross Profit. LPKR's EBITDA/Interest Expense (including Capitalized Interest) ratio stands at 3.1 indicating sufficient debt services capabilities in 2013.

## Net Profit

### CONSOLIDATED NET PROFIT



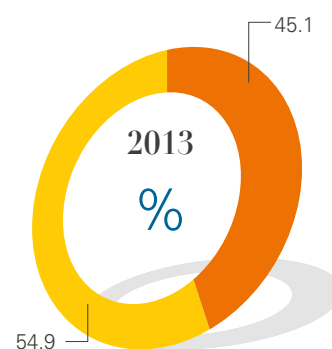
- Healthcare
- Urban Development
- Large Scale
- Hospitality & Infrastructure
- Property and Portfolio Management
- Retail Malls

Our 2013 Net Profit was up 16% to Rp1.2 trillion from Rp1.1 trillion in previous year. In 2013 LPKR profitability ratios as indicated by Return on Asset "ROA" and Return on Equity "ROE" stands at 3.9% and 9.6% respectively.

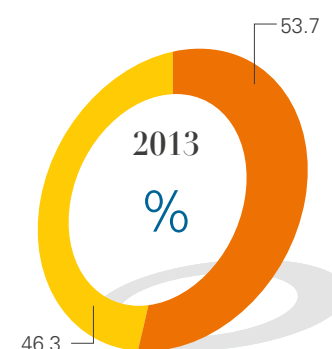
### Development Business versus Recurring Business

The Revenue contribution ratio for Development versus Recurring was 45% to 55% compared from 55% to 45% for Development and Recurring business in 2013 and 2012 respectively. The rebalancing of contribution towards higher Recurring business versus Development business is another testament to LPKR's business model where lower revenue in property was balanced by higher Recurring Income.

### REVENUE

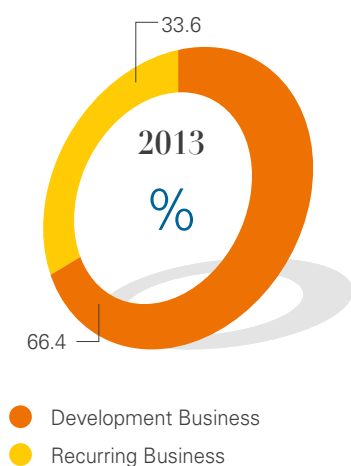


### GROSS PROFIT

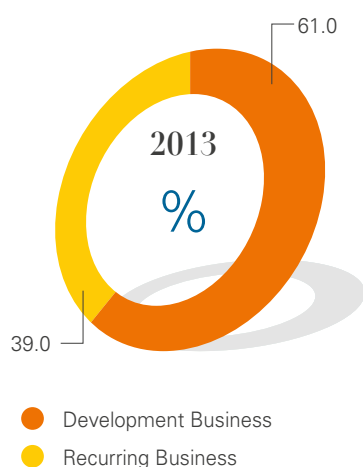


- Development Business
- Recurring Business

## OPERATING PROFIT



## NET PROFIT



## DEVELOPMENT BUSINESS

Development Business (in Rp Billion)	(Urban + Large Scale)		
	2013	2012	% Increase/ Decrease
Revenue	3,007	3,404	-11.7%
Gross Profit	1,636	1,763	-7.2%
Operating Profit	1,004	1,088	-7.8%
EBITDA	1,052	1,125	-6.5%
Net Profit	749	733	2.2%

Development business Revenue was down 11.7% to Rp3.0 trillion from Rp3.4 trillion in 2012 caused mostly by Urban Development Revenue decline by 20.1% to Rp1.9 trillion in 2013 from Rp2.4 trillion in 2012. This was primarily due to the inclusion of Rp879 billion gain from sale of Pejaten and Binjai Mall booked in 2012 compared to zero gain in Mall asset sales posted in 2013. On the other hand, Large Scale property development still posted a healthy 7.4% gain in 2013 to Rp1.1 trillion from Rp1.0 trillion in the previous year.

Development business Net Income still posted a net growth of 2% to Rp749 billion in 2013 from Rp733 billion in 2012 despite lower top line growth. The drop in Net Income in Urban Development of 36% was augmented with significant increase in Large Scale development growth of 95.5% in 2013.

## RECURRING BUSINESS

Recurring Business (in Rp Billion)	(Malls + Healthcare + Hospitality + Portfolio Management)		
	2013	2012	% Increase/ Decrease
Revenue	3,659	2,756	32.8%
Gross Profit	1,411	1,059	33.2%
Operating Profit	508	388	30.9%
EBITDA	749	561	33.5%
Net Profit	479	327	46.5%

Recurring business Revenue had a stellar year with an increase of 33% in 2013 to Rp3.7 trillion from Rp2.8 trillion in previous year, of which 68.4% or Rp2.5 trillion were contributed by the Healthcare division. Net Income rose even more significantly by 46.5% to Rp480 billion in 2013 from Rp328 billion in 2012 of which Commercial divisions were the biggest contributor with Rp253 billion.



TABLE ON MARGINS

Business Units	2013				2012			
	GPM	OPM	NPM	RC	GPM	OPM	NPM	RC
Consolidated	46%	23%	18%	100%	46%	24%	17%	100%
Urban Development	56%	28%	18%	28%	51%	34%	22%	38%
Large Scale Integrated Development	52%	42%	37%	17%	52%	28%	20%	17%
Retail Malls	99%	63%	69%	3%	94%	43%	22%	2%
Healthcare	26%	3%	2%	38%	25%	4%	3%	29%
Hospitality and Infrastructure	57%	35%	31%	10%	57%	31%	29%	9%
Property and Portfolio Management	60%	26%	28%	4%	62%	29%	31%	4%

Note:

- **GPM** : Gross Profit Margin
- **OPM** : Operating Profit Margin
- **NPM** : Net Profit Margin
- **RC** : Revenue Contribution

TABLE ON CONSOLIDATED ASSETS

Consolidated Assets (in Rp billion)	2013	2012	% Increase/ Decrease
Current Assets	24,013	19,479	23.3%
Cash	1,855	3,337	-44.4%
Inventory - Urban Development	7,734	5,916	30.7%
Inventory - Large Scale Integrated Development	4,860	3,462	40.4%
Non Current Assets	7,287	5,390	35.2%
Advance	1,456	1,080	34.8%
Land for future Developments	1,611	929	73.4%

### Current Assets

Current Assets increased 23% to Rp24 trillion in 2013 from Rp19.5 trillion in 2012 contributed primarily by 32.3% increase of Inventory to Rp13.9 trillion from Rp10.5 trillion in 2013 and 2012 respectively. Inventories in Urban Development and Large Scale development increased by 31% and 40% respectively in 2013 as part of normal inventory cycle of LPKR's Development business. LPKR Current ratio indicated average solvency at 4.96x in 2013.

As part of prudent financial management, LPKR has already hedged the entire principal of its USD Bonds till maturity, but recognizing the weakness of Rupiah in 2nd Half 2013, LPKR has decided to widen the hedging spread from Rp11,500/USD to Rp12,500/USD as safety precaution.

### Non-Current Assets

Non Current Assets increased by 35% to Rp7.3 trillion from Rp5.4 trillion in 2013 and 2012 respectively, mostly due to increase in Advances and Land-for future development accounts. Advances increased by 35% to Rp1.4 trillion from previous Rp1.1 trillion as construction and land acquisition process continues.

Land for future development value increased significantly by 73.4% to Rp1.6 trillion from Rp929 billion in 2012 as LPKR acquired 191,361 sqm of new land, increasing total land for future development by 2.6% to 7,583,527 sqm in 2013 from 7,392,166 sqm in 2012.

TABLE ON CONSOLIDATED LIABILITIES

Consolidated Liabilities (in Rp billion)	2013	2012	% Increase/ Decrease
Current Liabilities	4,842	3,479	39.2%
Non Current Liabilities	12,281	9,920	23.8%

**Current Liabilities**

Current Liabilities was up 39.2% in 2013 to Rp4.8 trillion from previous year Rp3.5 trillion primarily due to increase in current portion of Advances from Customers by 66.2% in 2013 to Rp3.1 trillion from Rp1.9 trillion in 2012 indicating a still healthy pre marketing sales of LPKR's Urban and Large Scale Integrated business.

In 2013 LPKR Current Ratios stands at 4.96 x, lower than 5.59 x in 2012 as Cash balances declined by 44.4% to Rp1.85 trillion from previous Rp3.34 trillion due to normal operational activities such as payment to suppliers and vendors.

**Non Current Liabilities**

LPKR successfully issued USD 130 million, 6.125% coupon, 8 years Bonds due 2020. This facility is in addition to the previous USD 273.3 million Global Senior Notes due 2020, therefore expanding the facility to USD 403.3 million. The Bond was priced at 104.375, resulting in final yield of 5.24%. Some of the proceeds were used to refinance LPKR Senior Notes due 2015 with 9% coupon, therefore saving LPKR on cost of funding and improving its debt profile. As of end of 2013 LPKR leverage profile

as indicated by Long Term Debt to Equity and Long Term Debt to Total Asset were at 0.61x and 0.25x respectively.

Long Term portion of Customer Advances was up slightly 4.8% in 2013 to Rp2.25 trillion from Rp2.1 trillion in 2012 as a significant part of Advances was reclassified to current portion when the asset is near completion.

**Equity**

LPKR Shareholder Equity was up 20.1% to Rp12.8 trillion from Rp10.7 trillion in the previous year, attributable primarily to changes in Retained Earnings and in subsidiaries equities. Retained Earnings was up 25.3% in 2013 to Rp4.7 trillion from Rp3.8 trillion in 2012, attributable to portion of 2013 Income retained for company's future development.

In 2013 there were additional Rp1.1 trillion in addition to subsidiaries equities contributed by the successful Initial Public Offering of our Hospitals subsidiary PT Siloam International Hospitals Tbk., which was listed on the Indonesian Stock Exchange on September 12, 2013.

**Cash Flow from Operating Activities**

In 2013 Cash Flow from Operations was a deficit of Rp2.1 trillion compared to positive Cash Flow from Operations in 2012 of Rp1.3 trillion. The primary reason for the deficit was a much higher payment to suppliers, which was up 65% to Rp8.0 trillion from previous year Rp4.8 trillion.

**Cash Flow from Investing Activities**

Cash Used in Investing Activities was significantly reduced in 2013 to Rp580 billion from Rp1.7 trillion in 2012. LPKR significantly reduced inter company transactions through reduction on placement of investments in associate company to Rp593 billion in 2013 from Rp856 billion in 2012 as well as acquisition of its subsidiaries to Rp161 billion in 2013 from Rp502 billion in 2012.

**Cash Flow from Financing Activities**

Cash Flow from Financing Activities declined by 25.7% in 2013 to Rp1.1 trillion from Rp1.5 trillion in 2012. In 2013, LPKR received Rp1.4 trillion proceeds from IPO of its subsidiaries PT Siloam International Hospitals. However Cash Flow from Financing Activities decline was mostly due to Rp2.5 trillion Bonds that was issued in 2012, which made the previous year comparably higher.

TABLE ON CONSOLIDATED CASH FLOW

Consolidated Cash Flow (in Rp billion)	2013	2012	% Increase/ Decrease
Operating Activities	(2,079)	1,289	-261.3%
Payment to Suppliers	8,003	4,851	65.0%
Investing Activities	(580)	(1,704)	-66.0%
Financing Activities	1,142	1,537	-25.7%
Ending Cash Balance	1,855	3,337	-44.4%

### Property Marketing Sales

Projects	2010	2011	2012	2013	Budget 2014
<b>URBAN DEVELOPMENT</b>					
Lippo Village	294	152	241	113	975
Lippo Cikarang	569	1,301	2,061	1,698	2,000
Tanjung Bunga	202	303	577	433	700
San Diego Hills	95	126	185	156	200
<b>Sub Total</b>	<b>1,160</b>	<b>1,882</b>	<b>3,064</b>	<b>2,400</b>	<b>3,875</b>
<b>CONDOMINIUM</b>					
Kemang Village	699	495	747	310	51
The St Moritz (JKT)	399	568	655	187	440
Park View	-	222	17	11	
Nine Residence	-	-	182	67	
City of Tomorrow	-	1	-	-	
New Projects	-	-	-		1,450
- Holland Village	-	-	-	510	661
- Lippo Thamrin Office	-	-	-	619	342
<b>Sub Total</b>	<b>1,098</b>	<b>1,286</b>	<b>1,601</b>	<b>1,704</b>	<b>2,944</b>
<b>RETAIL INVENTORIES</b>	(29)	11	18	11	-
Sub total – Property	2,229	3,179	4,683	4,115	6,819
ASSET SOLD TO THE REITS	220	-	2,077	1,482	3,200
<b>TOTAL MARKETING SALES</b>	<b>2,449</b>	<b>3,179</b>	<b>6,760</b>	<b>5,597</b>	<b>10,019</b>

LPKR revised its property marketing sales 2013 forecast in November 2013 to reflect lower than expected numbers. 2013 revised budget suggested that marketing sales for property was down 12% to Rp4.1 trillion in 2013 from Rp4.7 trillion in 2012. A downward trend in marketing sales was due to postponement of several project launches caused by delay in government licenses approval.

### Development Business

#### Residential and Urban Development

##### Business Review

LPKR Residential and Urban Development consisted of developments at Lippo Village Karawaci, Lippo Cikarang, Tanjung Bunga Makassar and San Diego Hills Memorial Park. LPKR still believes that Urban Development will continue to be a major contributor for Development business as it launched some initiatives and measures such as revising the master plan for the Townships in Lippo Village and Lippo Cikarang and expedite the plan for reclamation in Tanjung Bunga.

Going forward, LPKR plans to effectively use their landbank inventory with more plot ratios to the square meters and maximizing design for the Townships, focusing on vertical development such as high-rise apartments, Malls, Hospitals, Hotels and strata title offices.



Urban Development (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	1,884	2,358	-20.1%
Gross Profit	1,048	1,213	-13.6%
Operating Profit	530	799	-33.7%
EBITDA	572	830	-31.1%
Net Profit	333	521	-36.1%

Urban Development (in Rp billion)	2013	2012 *	% Increase/ Decrease
Revenue	1,884	1,479	27.4%
Gross Profit	1,048	848	23.6%
Operating Profit	530	434	22.1%
EBITDA	572	465	23.0%
Net Profit	333	163	104.3%

\* Residential and Urban Development financial performance in 2012 excluded Rp879 billion gain from the sale of Pejaten and Binjai Malls to REITS.

### Financial Review Urban Development

Revenue for Urban Development dropped 20% to Rp1.9 trillion from Rp2.4 trillion in 2013 and 2012 respectively due to shifted strategy to high rise development by transforming its Townships planning that caused little or no significant project launch in FY 2013 and higher 2012 Profit & Loss caused by inclusion of Rp879 billion gain from Sale of Pejaten and Binjai Malls to REITS.

Gross Profit was down 13.6% to Rp1.1 trillion in 2013 from Rp1.2 trillion in 2012 in line with the decline of Revenues. Net Profit was down 36% to Rp333 billion from previous year Rp521 billion as Net Profit margin contracted to 18% from previous year 22%. The Net Profit margin contraction is mostly attributable to inclusion of gain from the sale of Pejaten and Binjai Malls in 2012 Net Income compared to no gain from Mall Assets Sales booked in 2013.

### Large Scale Integrated Development

#### Business Review

In 2013, existing Large Scale Integrated development projects include Kemang Village, ST Moritz, Parkview and Nine Residences. In 2013, the Company launched Holland Village and Lippo Thamrin office. The market responded very enthusiastically to these new

projects that units offered were sold out during the first day of the launch.

Kemang Village condominium development has progressed at a rapid pace. In 2013, 4 towers were completed whilst the other 3 towers were at varying stages of completion ranging from 40% to 85%. Sales and pre sales for all of the condominium have reached approximately 98% on the average, indicating strong demand for the project.

St Moritz condominium development has also progressed with the completion of 3 towers, with additional 3 towers development were at 20-85% completion progress. Pre Sales for the project were also quite brisk with all 6 towers achieving on the average approximately 90% of pre sales.

Going forward LPKR is initiating a plan that will efficiently utilizes its Large Scale land-banks with more floor ratios to the square meters particularly to its townships in Lippo Village and Lippo Cikarang.

Large Scale Integrated (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	1,123	1,046	7.3%
Gross Profit	588	549	7.1%
Operating Profit	474	289	64.0%
EBITDA	480	295	62.7%
Net Profit	416	212	96.2%

### Financial Review Large Scale Integrated

Revenue for Large-Scale Integrated business was up 7.3% to Rp1.1 trillion in 2013 from Rp1.0 trillion in the previous year. Sales from Kemang Village and St. Moritz continued in 2013 amid higher interest rates and stricter loan to value regulations. The division contribution to LPKR top line remained stable at 17% in 2013 as some Sales from existing projects such as Kemang Village and St. Moritz have yet to come on line.

Gross Profit was up 7.1% in 2013 to Rp588 billion from Rp549 billion in 2012 in line with the Revenue growth. Net Profit Margin was significantly improved to 37% in 2013 from 20% in 2012 contributed to a significant increase of 2013 Net Profit growth of 96% to Rp416 billion from Rp212 billion in 2012.

### Recurring Business

#### Healthcare

##### Business Review

LPKR managed 16 Hospitals by the end of 2013, up from 12 Hospitals in 2012. Two new Hospitals were opened in 2013, which were Siloam Hospital Bali in Sunset and Siloam Hospital TB Simatupang in South Jakarta. In order to established its presence in the country's most promising medical tourism market, LPKR's Healthcare Division "Siloam" acquired two brownfield Hospitals in Bali, which made the numbers of operating Hospitals in Bali became three. As of 31 December 2013, Siloam had a 3,783 beds capacity, supported by 1,513 doctors, including 930 specialists and employed 2,767 nurses and other key healthcare professionals.

As part of unlocking value in its business units in the 3rd quarter 2013, LPKR successfully listed its Hospitals business in an Initial Public Offering "IPO" at the Indonesian Stock Exchange in the midst of a volatile Macro Economic situation. The IPO was successfully executed with an over subscription of 3.9x and raised Rp1.4 trillion fresh funds, representing 13.5% of the Company's shareholdings. At the end of 2013 the Market Capitalization of PT Siloam International Hospitals Tbk stood at Rp10.9 trillion or a 5.6% gain over the IPO Market Capitalization. Proceeds from the IPO will be used to procure medical equipments, expansion of existing Hospitals under management and acquisition of new Hospitals.

Average Revenue per Patient "ARPP" for the in-patient business segment of Healthcare division increased to Rp6.8 million in 2013 compared to 2012 ARPP of Rp3.5 million.

Average Revenue per Patients "ARPP" for the out-patient business segment of Healthcare division increased to Rp841,000 thousand in 2013 compared to 2012 ARPP of Rp656,000 thousand.

As part of its future plans, Siloam Hospitals is targeting to manage 40 Hospitals by end of 2017 with 10,000 beds capacity through both inorganic brownfield Hospital acquisition and organic development of greenfield Hospitals. LPKR will continue to target mid to high-income market bracket and price its Healthcare services to be most competitive compared to Healthcare services abroad. There are currently 19 Hospitals under various stages of development.

Healthcare (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	2,503	1,788	40.0%
Gross Profit	659	445	48.1%
Operating Profit	76	77	-1.3%
EBITDA	278	198	40.0%
Net Profit	50	50	0.0%

##### Financial Review Healthcare

In 2013 the Hospitals Division Revenue contributed one of the highest growth among LPKR businesses with an increase of 40% to Rp2.5 trillion from previous year Rp1.8 trillion. Contributions mostly came from 21% Revenue growth from the 7 existing Hospitals, while the other 9 new Hospitals contributed Revenue of Rp485 billion, representing 19% of Gross Operating Profit. More importantly, in-patient admissions were up by an impressive 40% while out-patient visits grew by 26%. In 2013 the Hospitals Division contribution to LPKR Revenue increased significantly to 38% from only a 29% contribution to LPKR Revenue in 2012.

Gross Profit was up 48.1% in line with top line growth to Rp659 billion in 2013 from Rp445 billion in 2012. Net Profit in 2013 as well as 2012, were relatively flat at Rp50 billion, impacted by investments and rapid ramp up in new hospitals.

## Hospitality and Infrastructure

### Business Review

Hospitality and Infrastructure business is made up of Hotels and Restaurants, city management, waste and water management and sports and recreational components. Most notably LPKR Aryaduta brand Hotels contributed almost half of the Revenue in this division. The LPKR Hotel division owns and manages 8 Hotels with a 1,665 room capacity in Indonesia. Supported by the rise of domestic travellers, overall average occupancy in the LPKR Hotel business increased to 72% in 2013 from 66% in 2012. Furthermore, overall Average Room Revenue "ARR" was also up by 4% to Rp622,000 from the previous Rp596,000.

At the end of 2013, several Hotel projects were under construction and expected to be completed within the next two years, with some of the new Hotels would be managed by international operators.

Hospitality & Infrastructure (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	657	575	14.3%
Gross Profit	376	324	16.0%
Operating Profit	228	177	28.8%
EBITDA	230	228	0.87%
Net Profit	205	167	22.8%

### Financial Review Hospitality and Infrastructure

Revenue was up 14.3% to Rp657 billion in 2013 from Rp575 billion in 2012 mostly contributed by the LPKR Hotels and Restaurant component. The Hotels and Restaurants contribution to the Hospitality and Infrastructure division improved to 56.9% or Rp374 billion in 2013 from 56.3% or Rp324 billion in 2012. Overall contribution of Hospitality and Infrastructure business to LPKR top line was up to 10% in 2013 from 9% in 2012.

Gross Profit was up 16% in 2013 to 376 billion from 2012 figures of Rp324 billion in line with the increase in Revenue. Net Profit growth was even higher at 23% in 2013 to Rp205 billion from Rp167 billion in previous year mostly attributable to Profit Margin maintenance in Hotels and Restaurants and expansion of waste and water management Profit Margin.



## Retail Malls

### Business Review

In 2013 LPKR managed 34 Malls with 2.6 million Gross Floor Area. In 2013 Net Leasable Area "NLA" was up 9% to 937,000 square meters from a previous 856,000 square meters due to additional soft openings of 3 Malls in 2013. Overall average occupancy for all Malls were at 88%, supported by 2,300 retailer brands occupying 4,200 units.

In the near future, LPKR will open two additional Malls, one in Yogyakarta and the other in St Moritz in West Jakarta.

was up 47.4% to Rp199 billion in 2013 from Rp135 billion in 2012.

Net Profit was up more than 3x at 338% to Rp140 billion from Rp32 billion in 2012 attributable to the asset enhancements components of LPKR Retail Malls divisions.

### Property and Portfolio Management

#### Business Review

The Revenues from this business were mainly derived from management fees from its Mall operations and REIT management. One of LPKR's long term

Retail Malls (in Rp Billion)	2013	2012	% Increase/ Decrease
Revenue	202	144	40.2%
Gross Profit	199	135	47.4%
Operating Profit	128	62	106.5%
EBITDA	130	63	106.3%
Net Profit	140	32	337.5%

### Financial Review Retail Malls

Revenue was up 40.2% in 2013 to Rp202 billion from Rp144 billion in 2012, mainly driven by full year contributions from Kemang Village Mall plus additional soft openings of 3 new Malls. Malls Revenue contribution to the LPKR top line is up to 3% in 2013 from 2% in the previous year. Average per sqm Revenue in 2013 was up 28% to Rp215,000/sqm from previous year Rp169,000/sqm while maintaining 88% occupancy rate.

Retail Malls division has the highest Profit Margin among all LPKR division with Gross Profit, Operating Profit and Net Profit Margins in 2013 came at an astounding 99%, 63.5% and 69% respectively up from 94%, 43% and 22% respectively in 2012. Gross Profit

strategies is to unlock Value and recycle capital through asset securitizations.

In 2006-2007 LPKR sponsored 2 trusts listed in Singapore Stock Exchange for its Malls and Hospitals assets respectively. In 2013, two Hospitals were successfully divested into the trust for total at Rp1.48 trillion. Additionally one more Mall asset was still in the process of divestment and expected to be executed in 2014.

Property and Portfolio Management (in Rp billion)	2013	2012	% Increase/ Decrease
Revenue	297	249	19.3%
Gross Profit	177	154	14.9%
Operating Profit	76	72	5.6%
EBITDA	111	74	50.0%
Net Profit	85	78	8.9%

### Financial Review Property and Portfolio Management

Revenue was up 19.3% to Rp297 billion in 2013 from Rp249 billion in 2012. The Division's contribution to the LPKR top line was maintained at 4% in 2013. Gross, Operating and Net Profit margins were maintained at adequate level in 2013 at 60%, 26% and 28% respectively. Gross Profit was up 15% to Rp177 billion in 2013 from Rp154 billion in 2012, while Net Profit grew by 9% to Rp85 billion in 2013 and from Rp78 billion in 2012.

### Risk

#### Financial Risk

The main financial risks faced by LPKR were; credit, foreign exchange, interest rates, liquidity and price risks. LPKR always maintain good corporate governance and practice sound business judgments such as hedging its Bond exposures. As of December 31, 2013, LPKR fully hedged the principal for all its USD denominated Bonds with Rp12,500/USD strike price.

#### Credit Risk

LPKR managed and controlled credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing banks and financial institutions that provided the financings.

### Foreign Exchange Rate Risk

LPKR financial instruments that potentially contain foreign exchange rate risk were Cash and Cash Equivalent, Investments and Loans. To manage foreign exchange rate risk, LPKR has entered into several derivative agreements with certain third parties.

### 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. LPKR did not have interest rate risk mainly because it does not have any loans with a floating interest rate.

### Liquidity Risk

LPKR managed its liquidity risk by maintaining an adequate level of Cash and Cash Equivalents to cover the company commitment in normal operation and regularly evaluated the projected and actual Cash Flow, as well as maturity date schedule of their financial Assets and Liabilities.

### Price Risk

LPKR were exposed to price risk because it owned an investment classified as Available For Sale (AFS) financial assets. LPKR managed this risk by regularly evaluated the financial performance and market price of its Investment while continuously monitored the global market developments.

### Business Risk

There are several business risks faced by LPKR as it has 6 different business divisions that have risk characteristics not necessarily similar to one another. Nevertheless, LPKR managed its business risk with good corporate governance and practiced sound

business judgments when facing macro, industry, regulations, competitions and other business related risks.

## Industry 2013

### Property

In 2013 macro headwinds are strong for the Indonesian property sector, with slowing GDP growth and the threat of further rate hikes. Indonesian property sector has had 4 years of continuous price growth of approximately 15% p.a. fuelled by cheap funding costs, prompting the government to introduce tightening measures. Macro headwinds and upcoming general elections have affected demand for Residential property, as manifested from recent launches by the major Indonesian developers.

A rising middle class and significant undersupply of housing stock will still be the driver for Indonesian property sector. Based on a BI survey in 2012, around 74 thousands of new houses were sold in 2012 vs. an estimated 1.2 millions households created. Total supply in Greater Jakarta is estimated to be around 300,000-400,000 units against a total middle class population of 28 millions, implying housing demand of 7 millions units assuming there are 4 persons per household.

Affordability remains robust especially in the middle to upper segment, which are the target for most Indonesian developers. In time, this proportion will get bigger as the middle class continues to grow. Of the mid-high segment of the population, average mortgage payment is approximately 33% of income at current prices, which is in line with the average mortgage-to-income ratio guided by the Indonesian banks and making it one of the lowest in ASEAN.

The recent change in LTV ruling requiring higher minimum down payment of 30% for first homes, 40% for second homes and 50% for subsequent purchases using bank mortgages, coupled with approximately 150 bps increases in mortgage rate to around 9%, will affect affordability to a certain extent. However, Indonesia remains highly underleveraged with a mortgage to GDP ratio of just 3.25%, one of the lowest in Asia. Cash and cash installments remain the main funding sources for Residential purchases with approximately 1/3 using mortgage, 1/3 monthly installment and 1/3 cash payment.

The recent BI restriction on banks disbursing mortgages in full on uncompleted properties will weaken Balance Sheets as developers will incur more working capital upfront for construction.

### Healthcare

Indonesia's healthcare development has been lagging compared to other countries in the region. In relation to supply side, healthcare market in Indonesia is underserved compared to other countries. Indonesia's Healthcare spending to GDP only reached 2.8% in 2012, compared with Thailand (3.3%), Singapore (4.0%), Malaysia (4.6%) and Philippines (4.5%). In 2102 Indonesian Healthcare spending per capita of USD 99 was the lowest compared to countries' average of USD586.

One of the reasons that Healthcare spending was lowest in the region was the inadequate supply of medical professionals i.e. doctors in Indonesia. Indonesia has a low doctors and beds ratio per 1,000 patients. The Economist Intelligence Unit (EIU) estimated that in 2012 Indonesia have 0.3 doctors for

every 1,000 people and 0.6 beds per 1,000 people. Meanwhile, the average neighboring countries has 0.9 doctors and 1.8 hospitals bed per 1,000 people.

As the result of tight budgets and decentralization, the proportion of public hospital beds to total beds has fallen to around 50%, down compared from in the 1990s, when the ratio was close to 70%. Hence, with rising population and growing senior citizen populations, public healthcare system struggled to cope with a rapid increase in demand for its services in years ahead creating an underserved domestic demand.

The imbalance in the supply and demand of Healthcare in Indonesia has also boosted Healthcare industry in neighboring countries such as Singapore and Malaysia. The total medical travel market in Singapore was approximately USD 1 trillion, of which around USD 534 billion comes from Indonesian residents. In Malaysia the size of medical travel is USD 201 billion, of which 60% or USD 121 billion contributed by its Indonesian compatriots. Improvements in Indonesian Healthcare infrastructure could lead to capturing a potential USD 600- USD 700 billion per year business from medical travel.

### Hotels

In 2013 the number of new hotels in Indonesia increased by 19% to 19 hotels compared to only 16 new hotels opened in 2012 with corresponding 40% increase in the number of Hotels rooms opened by major hotel management companies. Hotel room occupancy in 2013 slightly declined by 1.7% compared to previous year, although luxury hotels segment experienced an increase of 1.9% in occupancy rate.

In 2013, the Average Daily Room Rate "ADR" was up 11.5% to Rp1.1 million per night from the previous Rp969,000/night with Revenue Per Available Room "RevPAR" calculated by multiplying the ADR with occupancy rate also increased by 9.6% to Rp730,000 from previous Rp666,000. Nevertheless due to significant depreciation of Rupiah in the 2nd half of 2013, hotels ADR and RevPAR rate quoted in USD declined slightly by 0.8% and 2.6% respectively.

### Retail Malls

The moratorium on retail development in Jakarta issued in 2011 on any retail development of more than 5,000 sqm has impacted the growth of retail space in Jakarta, which declined 35% to 107,000 sqm in 2013 from previous 165,000 sqm in 2012. In 2013 there were only 3 completions of retail mall facilities in greater Jakarta area, which added 107,100 sqm of retail spaces towards the total cumulative supply of 4.25 million sqm in 2013

For the last five years, the occupancy level has been relatively steady and reached its peak in 2012 at 89% when large new supply was on the market underpinned by healthy economic conditions. At the end of 2013, the combination of a new supply of retail space and headwinds from macro economic aspect drove the occupancy rate down to 87.7%.

While shopping centers for lease are experiencing a relatively upward trend, the performance of strata-title/for sale spaces Retail Malls continues to decline, at least during the last four years to 69.9% in 2013 from 71.3% in 2012.

The rental rate is relatively flat at Rp476,030/sqm/month. In 2013, average rental rates climbed moderately by 4.4% mainly due to the supply of new shopping centers that began operations in 2013. Overall, the CBD area continues to get the highest rental rates ranging from Rp458,996 to Rp947,034/sqm/month.

### Macro Economic Conditions

Tapering fears, rising inflation, currency depreciation, rising current account deficit and political uncertainty were the central themes that dominated Indonesia Macro Economic in 2013. The Indonesian authorities decided to choose stability over economic growth by way of increasing interest rates by 175 bps over slower GDP growth to 5.78% in 2013 from 6.23% in 2012.

The main source of inflation remains the overhang on fuel subsidies, which if removed totally, could result in additional inflation of 2-3%. Market reaction to fuel price increases of around 30% to 100% has been more positive than negative and Indonesia is one of the few countries where fuel price increases have not been accompanied by social unrest.

### Other Information

#### Dividends

Although LPKR is still in a high growth phase, to be consistent with the commitment to the shareholders, the Company distributed dividends in 2013 amounting to Rp270 billion, an increase of Rp92.5 billion compared to the previous year. The dividend payout ratio was at 25.47% of Net Profit in the corresponding year.



### **Material Transactions Information that Contain Conflict of Interest and/or Transactions with Affiliated Parties.**

On January 14, 2013, Theta Capital Pte. Ltd., a wholly owned subsidiary, issued unsecured bonds with a nominal value of USD 130,000,000 with a fixed interest rate of 6.125% due 2020 and are listed on the Singapore Stock Exchange.

On April 30, 2013, Sigma Capital Pte Ltd, another wholly owned subsidiary, settled the entire balance of its unsecured bond amounting to USD 119,229,000 at a price of 104.5%.

On September 12, 2013, PT Siloam International Hospitals Tbk. "SIH", a subsidiary, made issuance of its shares through initial public offering of 156,100,000 shares through the Indonesia Stock Exchange. On the issuance of new shares, LPKR ownership in SIH changed from 100% to 86.5%.

In October 2012, SIH exercised the over-allotment option granted by PT Nilam Biru Bersinar, a wholly-owned subsidiary of the Company, in respect to 5,900,000 common shares in SIH, equivalent to 3.78% of the shares issued in the IPO or approximately 0.51% of issued and fully capital stock in SIH.

### **Subsequent Events**

There are no significant events, information or material facts occurring after the accounting reporting date except that on February 4, 2014, based on letter No. 0258/JAM/2014, GFA, a subsidiary, entered into a credit facility with local extension of PT Bank Central Asia Tbk.

### **Review of Changes in Regulations that have Significant Impact to the Company**

Under the new regulation, BI reduced the loan-to-value (LTV) ratio for the purchase of a second property for landed properties and apartments measuring more than 70 sqm to 60% from previous 70% and lowers it to 50% for purchases beyond the second property from previous 60%. The new LTV ratios will also be applied to sharia financing.

The new regulation dictates that husbands and wives will be considered as one debtor, unless the two have an official agreement certified by a notary public to separate their possessions. The central bank also forbids customers from making pre-orders for purchases of additional properties, stipulating that the properties must already be fully constructed. In addition to increase prudence between banks and developers, BI obliges developers to deposit a certain amount of funds as a guarantee that they will follow through with their construction.

### **Review of Changes in Accounting Policy**

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

There are no other material changes in accounting policy occurred and effective during 2013.

# HUMAN RESOURCES

The Company consistently prioritizes human resources as the main asset that functions as the driver for the success of the business.

**T**he year 2010 signified the beginning of the transformation. The Company earned the external recognition as the “Employer of Choice” in 2011, marking the first step in shaping the Company as a world class company. Subsequent steps to realize this aspiration continued in 2012 and consistently pursued in 2013 as evidenced by continued business growth, promoting a stronger corporate image to the public.

This achievement and the effectiveness of the Company strategy implementation in all business units are the results of the effective human resources strategies.

**Efforts to strengthen the talent management strategy begin with the recruitment of high-fliers, as well as the development of skills enhancement programs as required.**

The Company consistently prioritizes human resources as the main asset that functions as the driver for the success of the business.

For that reason, the Company strives to create a conducive working environment and prioritizes its employees’ welfare while developing their knowledge and ability to enable them to continuously execute and implement the Company’s strategy.

One initiative to prepare the Human Resources of the Company was to strengthen the talent management strategy that was done in 2013. The program started with talent acquisition, best talent hiring as well as knowledge and skills enhancement training. To be



A permanent agenda for HR Division is to improve the Company's work culture and performance management system to catch up with business competition to achieve the Company objectives.





effective, the Human Resource Division first identified the critical skills and developed leaders' pipelines to serve as the successors of the key positions in the years ahead.

The Talent Management strategies initiated by the Company included:

- Preparing and hiring the best talents, who will make positive contributions to the achievement of the Company's objectives.
- Shaping/building the best talents at all position levels through effective training and development programs to support the Company's growth.
- Preparing future leaders through Top Talent Program.

The program commenced by selecting candidates who possess certain criteria for future leaders (Performance, Potential, and Aspiration) and arrange periodic mentoring and coaching sessions with the Company's executives. The Company also equips them with the critical technical competencies for the roles through participation in business development training containing modules that are tailored to fit the Company's needs.

- Promoting Employee Development. In an effort to create a business enterprise with a competitive edge, the Company prepares its human resources through employee development programs and the culture of "Continuous Learning Environment", that includes:

- Knowledge Management Portal: a number of knowledge portals are easily accessible. One of them is a portal in the Project Management Technology (construction unit). Inside the portal, employees can

**In its endeavor to build a competitive business enterprise, the Company has prepared its human resources through employee development programs and building the culture of "Continuous Learning Environment"**



access technical knowledge that are prepared to develop and strengthen employees technical capabilities, on-boarding knowledge to provide new employees with the necessary knowledge to adapt quickly to their respective job roles, and information of activities in the project sites, project knowledge and support services knowledge for self-learning activities.

- In-house Training (Class Room) Each business unit has conducted in-house development programs accompanied by some role-plays to facilitate better internalization of the training materials.
- Community Practices: This program is facilitated by the HR team in cooperation with the SMEs (Subject Matter Experts) in their respective fields. The program is conducted monthly for knowledge and sharing sessions. Another program is called CoPi for the new comers to get to know each other and build network for solid teamwork.
- Supervisor in-house training: The program is intended for supervisor and manager Levels to improve their capabilities in managing their subordinates effectively and in building high competitive capabilities.
- Leadership Greatness and leader development programs: These programs are designed for leaders in the senior management position and conducted periodically to share the best practices for better leadership capabilities. Leading trainers/consultants are invited

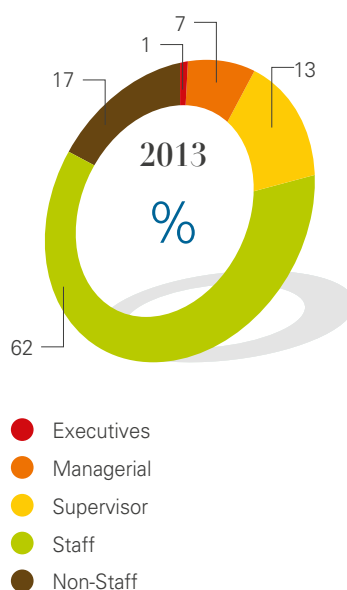
to broaden their perspectives in various aspects practiced by successful leaders. This includes the attitudes the Company wishes to impose to all employees.

In addition to the talent management programs, a number of strategic initiatives are regularly conducted by the HR Division. These Initiatives serve as HR contribution to enhance the Company's positioning and branding activities.

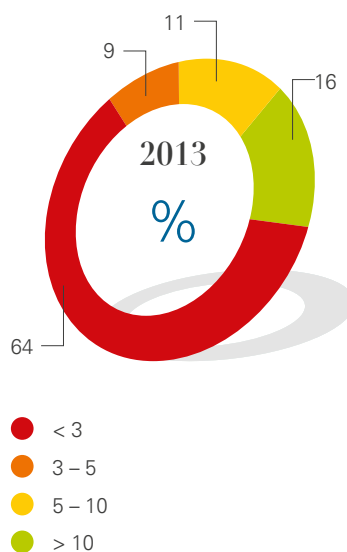
Several HR initiatives have been integrated into the Company's activities, including:

- Promoting the Company's position as the "Employer of Choice" from the internal as well as external perspectives.
- Maintaining a conducive working environment, in which good teamwork is enforced between the staff and the management levels as well as among divisions, engaging open communication between the staff and their superiors through regular dialogues and forums, in which superiors can communicate, provide guidance, share their views and experiences. The forum also serves as a channel to foster effective cooperation and two-way communication.
- Promoting the Company through media, seminars and roadshows to leading universities through career coaching programs. This program not only serves to introduce the Company but also to equip students with information on "work ethics" and "working atmosphere".

**NUMBER OF EMPLOYEES BY JOB LEVELS**



**NUMBER OF EMPLOYEES BY YEARS OF SERVICE**



### Work culture and performance management

A permanent agenda for HR Division is to improve the Company's work culture and performance management system to catch up with business competition to achieve the Company objectives. The Company consistently observes the work culture of every employee by:

- Enforcing the work culture that is ethical and in accordance with integrity value as characterized by transparency in the organizational processes, malpractice management and control as well as encouraging positive and responsible social conducts (impacting live),
- Increasing employees motivation by creating a favorable working environment and inviting inspirational motivators to boost productivity,
- Granting employees equal opportunity for self-development and career advancement for those who constantly demonstrate excellent capability and growth potential.

To stimulate high performance culture, the Company applies a Performance Management System to ensure that employees have clear understanding of

their respective work priorities for the year and how to perform them, put the priorities in the form of Key Performance Indicators and discussed and agreed by the employees and the superiors at the beginning of the year.

Performance is then monitored through the achievement of the Key Performance Indicator (KPI) and the expected competencies. As such, Performance decline as a result of human errors or development needs can be managed faster. To measure performance, the Company institutes bi-annual evaluation: once in the middle of the year and another at the year end.

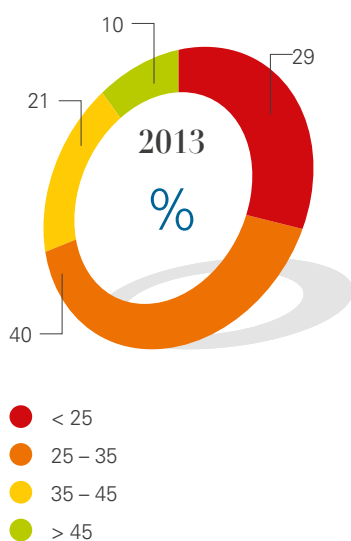
Results of the performance evaluation will serve as the basis for rewarding the employees (Pay for performance). Higher achievement allows greater opportunity for the employee to earn better and more competitive reward (than the peers). The evaluation process also allows the Company to map out employees' performance and competencies to serve as the basis for their development.

### Human Resources Information System (HRIS)

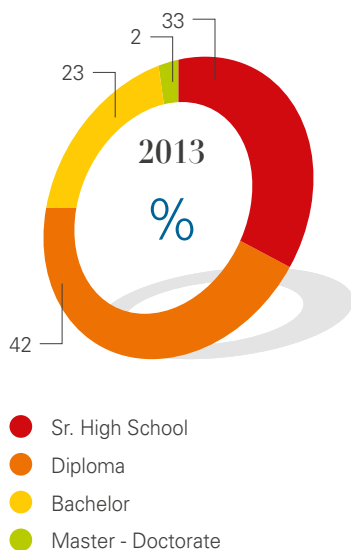
As the Company grows bigger, the demand for more effective human resource management process is greater. As a result, information technology has become a critical element in the implementation of HR strategies. For this aspect, the Company has regulated the use of a single HRIS platform in each business unit to support its growth and complexity. It includes all information systems and processes to facilitate the achievement of HR best practiced system. It encompasses functions of recruitment, performance and competency management, employee development and helpdesk service. The system has the functions for Employee Self Service and Management Self Service, allowing the employees/Manager to work more effectively following the workflow in the system.



#### NUMBER OF EMPLOYEES BY AGE

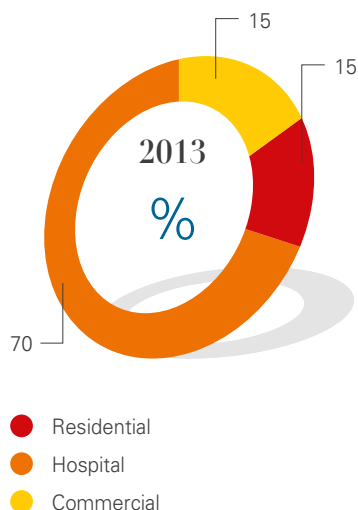


#### NUMBER OF EMPLOYEES BY EDUCATION LEVEL



The HR Division also takes advantage of an HR Portal that is comprehensively designed, both for internal as well as external uses. The portal also functions as the media to convey information on human resource issues and promotes/ disseminates information on matters under the responsibility of HR Division, such as code of ethics, corporate HR policies, on-boarding, and career opportunities.

#### NUMBER OF EMPLOYEES BY UNIT BUSINESS



# GOOD CORPORATE

— • Governance • —







# Report of

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## CORPORATE GOVERNANCE

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Considering that the Company's activity involves international capital markets, such as issuing through our wholly owned subsidiary a number of Senior Notes which are listed on the Singapore Stock Exchange and global investors on the list of our shareholders, the Company realized that it has become more and more important to consistently implement GCG.

In Lippo Karawaci's transformational journey commencing since end of 2010, one of the significant changes made by the management is a stronger commitment to accelerate growth on a solid foundation to achieve a sustainable business. The Company built this foundation through implementing good corporate governance (GCG) in all aspects of business as well as throughout the organization.

### Implementation of GCG in Lippo Karawaci

The Company's GCG guidelines referred to the best GCG references and practices provided among others by the Indonesian Institute of Corporate Governance, ASEAN Corporate Governance Scorecard and related regulations of OJK, in particular the regulations governing the Submission of Annual Report, Financial Report and Disclosure.

The implementation of GCG policies in Lippo Karawaci is continuously developed in line with best practice GCG through various activities such as:

- Convening a more professional and independent management throughout the organization.
- Cultivating a decision-making process that is rooted in high ethical standards and in compliance with prevailing regulations.

- Providing additional advantages to the society through its Corporate Social Responsibility (CSR) program.
- Promoting a favorable national investment climate especially in the fields of property and healthcare.
- Maintaining the commitment to create value added to the shareholders, among other ways by sharing the Company's profit to the shareholders through dividend distributions.

**The Company built a solid foundation through implementing good corporate governance (GCG) in all aspects of business as well as throughout the organization.**

Considering that the Company's activity involves international capital markets, such as issuing through our wholly owned subsidiary a number of Senior Notes which are listed on the Singapore Stock Exchange and global investors on the list of our shareholders, the Company realized that it has become more and more important to consistently implement GCG through transparency, accountability, responsibility, independency and fairness.

## Transparency

Transparency is an essential element in GCG; therefore, management of Lippo Karawaci strived to improve its transparency practices in its financial reports, corporate actions and policies as well as in other material transactions. Management believes that appropriate transparency will enhance stakeholder trust in the Company and is therefore indispensable to Lippo Karawaci's long term success.

Access to the Company's relevant financial and non-financial information is made easy and the reports are adequately comprehensive, thus allowing stakeholders the opportunity to understand clearly the Company's condition.

Lippo Karawaci commits itself to full transparency by distributing key information as required by current regulations and disseminating public information through the Indonesian Stock Exchange's IDXNet facility, newspaper placements, public expose and roadshows sponsored by Indonesian or international securities companies. The Company also regularly issues press releases to the media as well as to analysts in order to communicate the development and achievement of the Company. Our website [www.lippokarawaci.co.id](http://www.lippokarawaci.co.id) serves as a vital link in the Company's information chain and, as such, is updated regularly for the benefit of all concerned parties. The Company's annual reports, financial statements, presentations to investors and press releases may also be freely downloaded from the website.

**The Company views these responsibilities as being vital to long-term business success and sustainability as well as being central to its existence as a good corporate citizen.**

## Accountability

The Company aggressively promotes a culture of accountability by separating the functions, authority and responsibilities of each of its organs. These organs are: the General Meeting of Shareholders (GMS), the Board of Commissioners (BOC) and the Board of Directors (BOD). The respective authorities they hold are defined in the Company's Articles of Association.

The BOC, assisted by the Audit Committee and Remuneration Committee, has a role in keeping balanced stakes between the management, shareholders and other stakeholders.

The Company is in the process of formulating the Commissioners and Directors' Code, which will become a

guideline for the BoD in maintaining accountability while executing its roles and responsibilities.

## Responsibility

As a law-abiding corporate entity, the Company complies with the prevailing regulations and recognizes its responsibilities to the shareholders, investors/creditors and employees. The Company extends its responsibility beyond, to its customers, the public and the environment. The Company views these responsibilities as being vital to long-term business success and sustainability as well as being central to its existence as a good corporate citizen.

The Company's management is responsible for maximizing the value of the Company to its shareholders. In the last four consecutive years, LPKR allocated part of the Company's profit to be distributed as cash dividends to the shareholders.

The Company laid out a regeneration plan and managerial development program based on core competencies aligned with the Company's long-term strategic plan. Through HR Division, top talented individuals as well as professional aptitudes are nurtured, developed and empowered through necessary tools in order for them to become outstanding employees and competent future leaders with high integrity. The top management allocated their time to be a mentor for chosen top talents to ensure a sustainable leadership succession. To propel excellent performance, the Company employed fair opportunities to all human resources while adhering to the meritocracy system that rewards contribution and productivity of the employees.

Another responsibility that Lippo Karawaci especially undertakes is the development of excellent products and services. The Company wishes to offer only the best value for their loyal customers and strives to continually set new benchmarks to positively impact lives. Due to this unwavering commitment, Lippo Karawaci has garnered recognition and multiple awards from both domestic and international institutions. The list of the awards obtained in 2013 are presented separately in this Annual Report.

As one of the responsibilities to society, Lippo Karawaci gives back to society and, in particular, the communities which make up its immediate environment through Corporate Social Responsibility (CSR) programs. More comprehensive information on the Company's community development and environmental preservation programs are discussed separately in the CSR section of this Annual Report.

### Independence

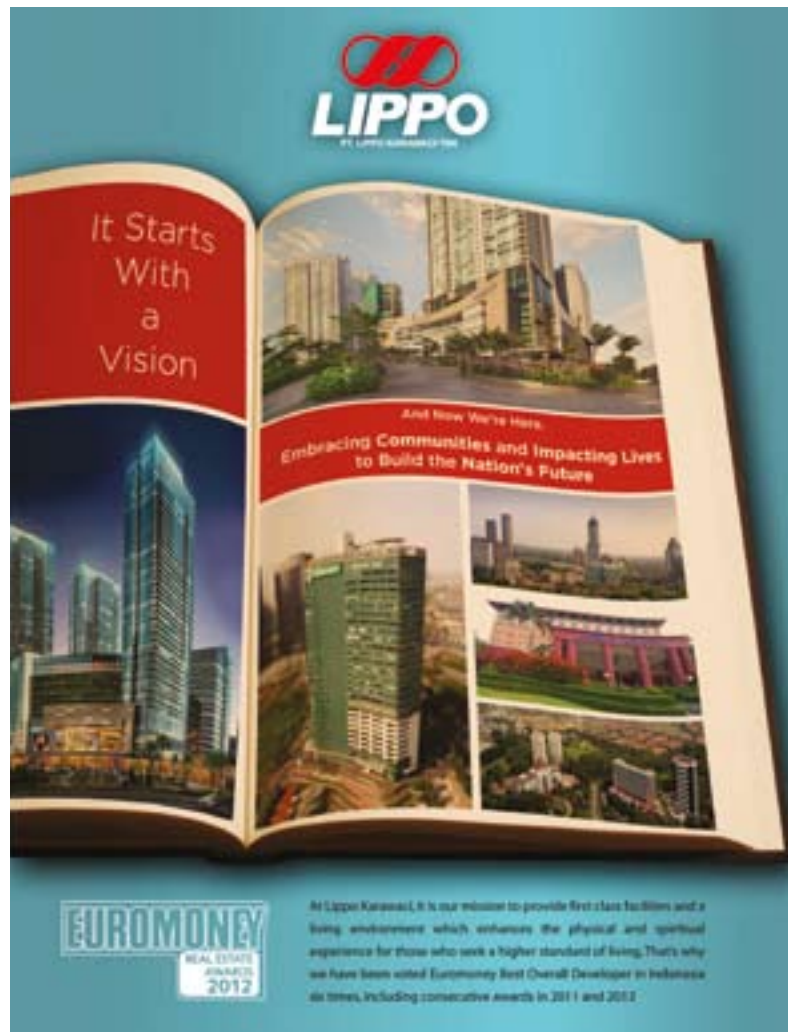
Lippo Karawaci ensures that its different business units are independently and professionally managed in order to meet the demands and expectations of global, regional and domestic markets all the while keeping its GCG principles firmly in mind.

Lippo Karawaci's GCG principles are reflected in its established codes of conduct which was formalized in 2000 and renewed in 2005. These rules serve as effective guides to how everyone belonging to the Lippo Karawaci family should work and act. The codes of conduct also carry a specific section discussing independence, and conflict of interest. It is expected that through

these guidelines, conflicts of interest can be avoided and decisions will be made objectively.

### Fairness

To ensure fairness at all times, Lippo Karawaci follows a principle of equality in all its actions. This requires it to always take into consideration the interests of its shareholders as well as others who have a stake in the Company. To facilitate this, the Company gives all stakeholders a means of obtaining Company information by giving them access to Company data or providing feed back on the Company's products and services through the Company's website.



We also focused on improving the implementation of good governance in the field of financial management. Our current rating of BB- by S&P and Fitch as well as Ba3 by Moody's embedded a high responsibility to maintain these ratings.



Lippo Karawaci adopts equal opportunity in recruitment of employees and in career development throughout all levels in the organization and across all business units. The Company provides a conducive environment for its employees to carry out their duty professionally and rewards employees that perform well and contribute to the Company's success through a meritocracy system supported by an objective appraisal tools.

### Corporate Governance Structure and Framework

At the core of Lippo Karawaci's GCG structure lie the GMS, BOC and BOD. These bodies ensure that the Company's GCG principles are properly implemented throughout the entire range of Lippo Karawaci's operational and strategic activities. Each body has a specific authority and works independently of the others to serve their respective mandates and responsibilities.

### General Meeting of Shareholders (GMS)

The Company held a total of 1 GMS in the year 2013, which was the Annual General Meeting of Shareholders (AGM), held on 24 April 2013.

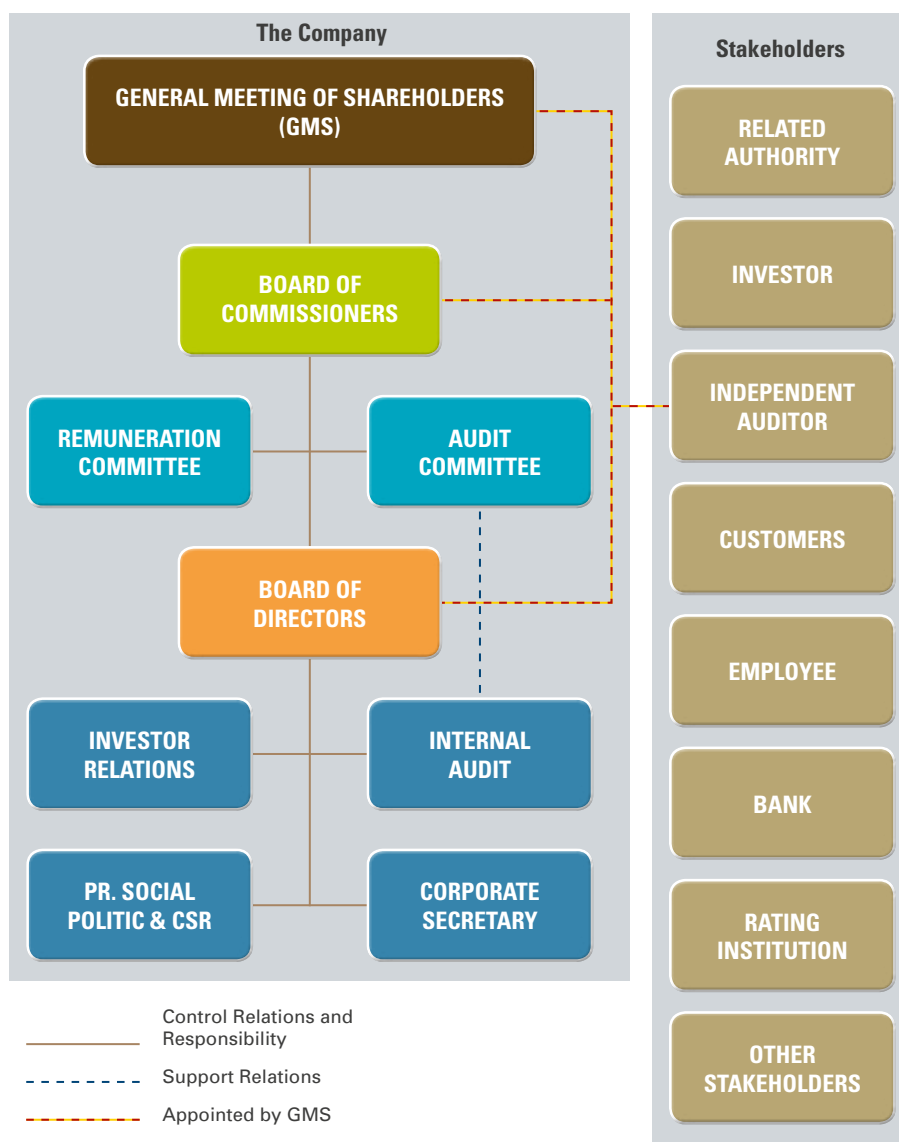
The AGM was attended by shareholders representing 20,329,678,203 shares or 89.277% of the total of 22,771,585,119 shares, constituting total issued shares less the treasury stock up to the recording date of the AGM.

In each agenda item of the meeting, the shareholders had the opportunity to raise questions after the explanation or proposed resolutions were conveyed pursuant to the Meeting Rules distributed to the meeting participants during the registration which were approved by the attending shareholders prior to the discussion of the Meeting Agenda commencing. At the AGM, the resolutions were made through consensus or majority vote with quorum are as follows.

The Meeting resolved as follows:

#### Agenda 1

1. To approve and ratify the Annual Report of the Company on its position and course of its business actions including among others the Company's Financial Statements for the year ended December 31, 2012, covering the business activities derived from the Company's main business activities and the Supervisory Duty Report of the Board of Commissioners.



2. To approve and ratify the Consolidated Financial Statements of the Company and subsidiaries for the fiscal year ended December 31, 2012 audited by the Accounting Firm Aryanto, Amir Jusuf, Mawar and Saptoto with an unqualified opinion as stated in its report No: R/151.AGA/bna.1/2013 dated March 25, 2013 which comprised the consolidated statement of financial position and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flow for the year ended 31 December 2012.
3. To grant full release and discharge to the Board of Directors and the Board of Commissioners for the management and supervision conducted during the fiscal year ended December 31, 2012 (acquitted et de charge), provided that those actions including the actions relating to the business activities derived from the Company's main business activities are reflected in the Financial Statements and considering the Directors Report for the year ended December 31, 2012 as well.

#### Agenda 2

1. To approve the distribution of final cash dividend amounting to a total of Rp 270,000,000,000 (two hundred seventy billion Rupiah) which represents 25.47% of Net Income After Tax.
2. To approve the disbursement of cash dividend by applying the dividend tax deduction pursuant to the prevailing tax regulation.
3. To approve and resolve that Rp 1,000,000,000 (one billion Rupiah) be allocated as the reserved fund as referred to in Article 70 of Law No. 40 of 2007 regarding the Limited Liability Company.
4. To approve that the remaining Net Income after deducting the dividend and the reserved fund amounting to Rp 789,221,934,429 (seven hundred eighty nine billion two hundred twenty one million nine hundred thirty four thousand four hundred and twenty nine Rupiah) be recorded as the Company's Retained Earnings.
5. To approve and grant full power and authority with the right of substitution to the Company's Directors to determine the schedule and procedure of the execution of dividend distribution as referred to in item 4 above and to announce it pursuant to the applicable laws and regulations including to determine the date of "cum and ex dividend".

#### Agenda 3

To grant the authority to the Company's Board of Commissioners to appoint an Independent Public Accountant that is registered in Bapepam and LK and has good reputation to conduct an audit of the Company's books for the fiscal year ended December 31, 2013 and to give full authority to the Company's Board of Directors to set the fee and other terms of the appointment.

#### Agenda 4

1. To appoint and determine the members of the Board of Directors, Board of Commissioners and the Independent Commissioners of the Company as with the following structure:

### The Board of Commissioners

President Commissioner	Theo Leo Sambuaga
Vice President Commissioner and Independent Commissioner	Surjadi Soedirdja
Independent Commissioner	Tanri Abeng
Independent Commissioner	Agum Gumelar
Independent Commissioner	Farid Harianto
Independent Commissioner	Jonathan Limbong Parapak
Independent Commissioner	Muladi
Commissioner	Viven Gouw Sitiabudi

### The Board of Directors

President Director	Ketut Budi Wijaya
Director	Tjokro Libianto
Director	Djoko Harjono
Director	Roberto Fernandez Feliciano
Director	Rahmawaty
Non-affiliated Director	Jenny Kuistono

The appointment and determination of the members of the Board of Directors, Board of Commissioners and the Independent Commissioners of the Company is effective as of closing of the Meeting until the expiry of the tenure of the members of the Board of Directors and the Board of Commissioners of the Company pursuant to the Article of Association of the Company.

2. To grant the authority and power with the substitution rights to the Board of Directors of the Company acting severally or collectively to execute any action required relating to the abovementioned resolutions, including but not limited to stating the appointment of the Board of Directors, the Board of Commissioners and the Independent Commissioners of the Company in a Notarial deed, submitting a notification to the Minister of Law and Human Rights of the Republic of Indonesia and registering the structure of the said Board of Commissioners and the Board of Directors in the Company's Registration pursuant to the prevailing law and regulation.
3. To approve and to grant the authority to the Remuneration Committee of the Company to set the compensation, allowance and other facilities for the Board of Commissioners and the Board of Directors of the Company.

#### Agenda 5

To approve the Accountability Report of the Use of Proceeds from the Right Issue III as reported to Bapepam and LK by letter No. 010/LK-COS/II/2013 dated January 15, 2013.

#### Agenda 6

1. To approve the changes and re-arrangement of Articles 12 (2), (3) and (5), Articles 14 (15), Articles 17 (3), Articles 19 (12), and Articles 21 (9) of the Articles of Association of the Company pursuant to the prevailing law.
2. To restate all the Articles of Association of the Company relating to the above changes.
3. To grant the power and authority to the Directors of the Company, severally and jointly with substitution right to execute any n all action required in order to effect the matters conveyed and / or resolved in the Meeting, including but not limited to restate part of or all of the resolutions of the Meeting in a notarial deed, to make or request to be made any and all deeds, letters and documents required, to appear before any authorized party/officer, to submit any application to the competent party/authority to report such changes to and to make any adjustments and / or additions in any form necessary to the acceptance of such report by the Ministry of Law and Human Rights of the Republic of Indonesia, to propose and sign any and all application and other documents without any exemption.

#### Board of Commissioners (BOC)

It is the responsibility of the BOC to exercise supervisory control over the management executed by the Board of Directors' (BOD). It dispenses advice as well as monitors and evaluates the implementation of strategic policies as well as ensuring that GCG and risk management practices are effectively implemented throughout the Company's operations.

Lippo Karawaci's Articles of Association stipulate that the BOC be made up of at least three members. Considering the Company's broad scope and the resulting complexities of operations, the AGMS held on 24 April 2013 reappointed the BOC, composed of the following:

President Commissioner	Theo Leo Sambuaga
Vice President Commissioner and Independent Commissioner	Surjadi Soedirdja
Independent Commissioner	Tanri Abeng
Independent Commissioner	Agum Gumelar
Independent Commissioner	Farid Hariantio
Independent Commissioner	Jonathan Limbong Parapak
Independent Commissioner	Muladi
Commissioner	Viven Gouw Sitiabudi



All of the appointed members of the BOC, save for Prof. Dr. H. Muladi, SH, were on the Board of Commissioners from the previous period. Six of eight members of the BOC are Independent Commissioners and all of those chosen to the BOC have met all the criteria set by law, OJK regulations and the Company's Articles of Association. The standards followed for the selection require that the candidate:

- Posses good moral character
- Be capable of performing legal actions
- Must never have been declared bankrupt or have been a member of a BOC or BOD judged to cause the bankruptcy of a company and
- Must never have been sentenced for a criminal offense which caused financial loss to the state in the five years prior to his appointment.

The criteria set for becoming an Independent Commissioner refer to Bapepam-LK Regulation No. IX.I.5. that a candidate:

- Must not be an party working for or having an authority and responsibility to plan, lead, control or monitor the activity of the to the Listed or Public Company in the past 6 (six) months;

- Does not directly or indirectly own the shares of the Listed or Public Company
- Is not affiliated to the Listed or Public Company, a member of the BOC or BOD or a majority shareholder of the Listed or Public Company and
- Does not have ownership in a business directly or indirectly linked with the main activity of the Listed or Public Company.

The BOC's authority is stipulated in the Company's AoA and granted to it by the GMS with tasks and responsibilities as follows:

- To supervise the BOD's undertaking of the overall management of the Company, as well as its businesses, and to provide advice to the BOD.
- To perform specific duties as mandated by the Company's Articles of Association, prevailing regulations and/or pertaining to the decisions drawn up in the GMS, such as appointment of the Public Accountant for the Company.
- To provide guidance, to monitor and to evaluate the implementation of the Company's strategic policies.

- To apply and ensure implementation of risk management and GCG principles in every activity of the Company to achieve a sustainable growth.
- To evaluate the annual work plan proposed by the BOD to ensure that the work plan is in line with the Company's vision, mission, and roadmap of long-term growth.
- To support and encourage the development of the Company's management and business.
- To execute its tasks and responsibilities independently without any conflict of interest that may affect the quality of its decisions, as part of the GCG practice.

As a form of accountability for their duties and authorities, the BOC prepares a Supervisory Assignment Report on their supervisory role conducted throughout one fiscal year to be reported to the shareholders and subsequently endorsed by the AGMS.

## BOC Meetings

### A. Implementation Procedures

It is mandated that BOC Meetings should be based on necessity, and be convened at least once a year. In 2013, the BOC convened a total of 7 (seven) BOC meetings. The schedule, agenda, venue and list of attendees of the BOC members in the meetings are presented in the table Meetings of the BOC in 2013.

## 2013 BOC Meeting Agenda and Attendance List

No.	Date	Meeting Agenda	TLS	SS	TA	AG	FH	JP	MUL	VS
1	1 February 2013 Conrad Hotel, Bali	1. Approval to the minutes of BoC Meeting held on 12 November 2012. 2. Corporate update. 3. Others.	1	1	1	1	1	1	0 *)	1
2	25 March 2013 Aryaduta Hotel Lippo Village	1. Approval to the minutes of BoC Meeting held on 1 February 2013 2. Full Year 2012 Financial Performance. 3. Human Resources. 4. Report and update from BoD.	1	1	1	1	1	1	0 *)	1
3	23 April 2013 Aryaduta Hotel Lippo Village	1. Approval to the minutes of BoC Meeting held on 25 March 2013. 2. Q1 2013 Financial Performance. 3. Internal Audit presentation. 4. Report and update from BoD.	1	1	1	1	1	1	0 *)	1
4	19 July 2013 Kemang Village	1. Approval to the minutes of BoC Meeting held on 23 April 2013. 2. Corporate Action update. 3. Mall Division's update. 4. Others.	1	1	1	1	1	1	1	1
5	26 September 2013 Aryaduta Hotel Jakarta	1. Approval to the minutes of BoC Meeting held on 19 July 2013. 2. 1st Half 2013 Audited Financials. 3. Homes Division update. 4. Report and update from BoD. 5. Others.	1	1	1	0	0	1	1	1
6	28 October 2013 Aryaduta Hotel Lippo Village	1. Approval to the minutes of BoC Meeting held on 26 September 2013. 2. Q3 2013 Financials. 3. Report and update from BoD. 4. Others.	1	1	1	1	1	1	1	1
7	11 December 2013 Aryaduta Hotel Jakarta	1. Approval to the minutes of BoC Meeting held on 28 October 2013. 2. Budget 2014 Approval. 3. Report and update from BoD. 4. Others.	1	1	1	0	1	1	1	0

**TLS** - Theo L. Sambuaga; **SS** - Surjadi Soedirdja; **TA** - Tanri Abeng; **AG** - Agum Gumelar; **FH** - Farid Harianto;  
**JP** - Jonathan L. Parapak; **MUL** - Muladi; **VS** - Viven Gouw Sitiabudi  
**0** - Absent, **1** - Presence

\*) Note: Mr Muladi has joined with the Company after the AGM dated 24 April 2013.

**B. Chairmanship of the BOC Meeting**  
The President Commissioner chairs every BOC meeting. In his absence, the BOC Meeting shall be chaired by a Commissioner who is nominated by and from the Commissioners in attendance.

**C. Attendance and Legitimacy**  
A member of the BOC may be represented in a BOC Meeting only by another member of the BOC by means of a power of attorney. A BOC Meeting is valid and shall be entitled to adopt binding resolutions if more than ½ (half) of the BOC members are in attendance or represented in the meeting.

**D. Decision Making**  
Resolutions of BOC Meetings shall be drawn up based on consensus. In the event that consensus fails to be reached, the resolution shall be drawn by casting votes based on the approval of more than ½ (half) from the valid total votes cast in the meeting. Where the number of votes in favor for and against the decision is equal, the decision shall then be at the discretion of the Chairman of the BOC Meeting.

The BOC appoints and forms supporting committees to assist the BOC in carrying out their duties in an effective and efficient manner.

Lippo Karawaci's BOC maintains an Audit Committee and Remuneration Committee to perform specific functions and tasks as directed by the BOC. At present a specific risk management committee has yet to be formed so until such time, this aspect is being handled by the Audit Committee. Tasks of a separate Nomination Committee are being handled by the Remuneration Committee.

### Audit Committee

The Audit Committee is tasked to assist the BOC in:

1. Improving the quality of financial reports prepared by the management of the Company, especially with regard to compliance with transparency and reporting standards.
2. Monitoring and improving the effectiveness of internal and external audits in order to create a disciplined environment that resists any distortion in management by empowering the role of internal and external audit.
3. Reviewing the performance of the Public Accountant particularly scope, accuracy, independence and objectivity.
4. Identifying matters that require the BOC's attention by reviewing the internal audit reports and monitoring the corrective actions following the audit findings.

5. Evaluating and empowering the role of risk management to mitigate the Company's risks
6. Ensuring that the financial statements of the Company comply with generally accepted accounting principles and that an internal auditing system as well as financial reporting procedures are adequately incorporated and applied.

In order to support the functions of the Audit Committee, its members are authorized to:

- a. secure important and relevant information such as internal audit reports through communication, discussion or meeting with the Company's Internal Audit at any time.
- b. coordinate and meet with the external auditor to review significant or material findings or the possibility of any pitfall for the external auditor to perform its audit assignment.
- c. request explanation from the BOD.

The members of the Audit Committee as of 31 December 2013 as appointed by the BOC on 24 April 2013 are:

Chairman : Farid Harianto  
Member : Herbudianto  
Member : Indra Simarta

In 2013, the Audit Committee convened 6 (six) meetings with the agenda and attendance as follows:

### 2013 Audit Committee Meeting Agenda & Attendance List

No.	Date	Meeting Agenda	FH	SP	JT
1	25 March 2013	1. Approval to the Minutes of Meeting held on 30 October 2013. 2. Y2012 Financial Report (presentation by external auditor from Kantor Akuntan Publik Aryanto Amir Jusuf, Mawar & Saptoto). 3. 2013 Working Plan of the company's Internal Audit (presentation by Internal Audit). 4. Others.	1	1	0
2	22 April 2013	1. Approval to the Minutes of Meeting held on 25 March 2013. 2. Q1 2013 Financial Report. 3. Others.	1	1	0
<b>FH = Farid Harianto, SP = Siswanto Pramono, JT = Jeffrey Turangan- meninggal dunia tanggal 7 Desember 2012.</b>					
The new Audit Committee has been announced at the AGM 24 April 2013.					
No.	Date	Meeting Agenda	FH	HER	IS
3	18 June 2013	1. Approval to the Minutes of Meeting held on 22 April 2013. 2. Corporate Actions. 3. Report of Internal Audit of Sistem Account Receivable.	1	1	0
4	26 September 2013	1. Approval to the Minutes of Meeting held on 18 June 2013. 2. 1st Half 2013 Financial Report. 3. Others.	1	1	1
5	25 October 2013	1. Approval to the Minutes of Meeting held on 26 September 2013. 2. Q3 2013 Financial Report. 3. Others.	1	1	1
6	6 November 2013	1. Approval to the Minutes of Meeting held on 25 October 2013. 2. Internal Audit Findings on Q3 2013. 3. Others.	1	1	1

**FH = Farid Harianto, HER = Herbudianto, IS = Indra Simarta**

### Remuneration Committee

The Remuneration Committee was established to assist BOC in upgrading the quality and standards of Company management. This Committee is tasked to develop accurate mechanisms for nomination and remuneration for the Company' workforce based on the Company's principle of meritocracy as well as for contributions to the Company's growth. This Committee is also mandated to ensure improvements in the Company's GCG practices, particularly on the Fairness principles.

As of 31 December 2013 the following individuals comprised the Remuneration Committee:

Chairman : Theo L. Sambuaga  
Member : Farid Harianto  
Member : Jonathan L. Parapak  
Member : Viven G. Sitiabudi

To determine the proper remuneration for the members of BOC and BOD, the Remuneration Committee follows these procedures:

1. The Committee reviews the remuneration of the BOC and BOD members while taking note of the work scope, and each member's responsibility.

2. The remuneration packages are designed with a purpose to reflect appreciation for the member's position as well as to convey expectations of outstanding performance.

3. The Committee evaluates the adoption of a meritocracy system in order to encourage better performance.



4. The Committee, as authorized by the GMS, sets the remuneration amount for each member of the BOC and BOD through a Remuneration Committee meeting or by written consent of all Remuneration Committee members.
5. The Committee reports the decision on the amount of remuneration given to the BOC and BOD with the BOC presenting this to the GMS.

In 2013, the Remuneration Committee convened 1 meeting to review the remuneration of the Commissioners and Directors and approved the remuneration of Rp46,813,837,437 to the Board of Commissioners and the Board of Directors.

#### Board of Directors (BOD)

The BOD is a core component of the Company and manages and leads the Company in accordance with the purposes and objectives of as stipulated in the Article of Association of the Company as well as ensuring that all assets and resources are functioning at peak capacity. The BOD performance is measured with the increasing operational profitability while maintaining Lippo Karawaci's sustainable growth.

1. The duties, responsibilities and authorities of the BOD, as governed by the Company's Articles of Association, are to:
  - Manage the Company
  - Manage the Company's assets
  - Apply risk management and GCG principles in all activities for all levels of the organization

- Form an effective organizational structure that promotes fair and equal division of tasks in support of the Company's expansion.

The BOD represents the Company inside or outside of courts of justice for all matters and in any event, binds the Company with other parties or other parties with the company and executes all management or ownership acts. However, there is a limit to the BOD's authority:

#### A. Matters reserved for BOC approvals:

- a. To lend money from or lend out money on behalf of the Company (excluding withdrawal of funds from approved credit facilities and in the normal course of undertaking the Company's operational activities)
- b. To purchase/sell or obtain/ release the rights of immovable goods owned by the Company, except in the normal course of undertaking the Company's operational activities
- c. To encumber/guarantee in any form of the Company's immovable goods
- d. To take part in an capital participation or release capital participation in other company
- e. To transfer and/or release rights or pledge the Company's assets as a security for a loan comprising more than 50% of the Company's net worth in one or more related or unrelated transaction within a period of 1 (one) financial year.

#### B. Matters reserved for GMS' approval:

- a. To undertake Material Transactions or Conflict of Interest Transactions pursuant to the related regulations in the capital markets.
- b. To transfer or pledge as a security for a loan all or more than 50% of the Company's entire net assets in either 1 (one) or more related or unrelated transactions within a period of 1 (one) financial year, save for the event when it is a normal course of business of the Company.
- c. To amend the Company's Articles of Association.
- d. To undertake a merger, amalgamation, acquisition, dissolution or liquidation of the Company.

BOD members perform their duties on behalf of the Company and make their decisions in accordance with the division of tasks and authority. However, the tasks implemented by the individual members of the BOD are acknowledged as a collective responsibility.

#### 2. BOD Structure, Membership Criteria and Terms of Office

The current BOD was appointed during the AGMS held on 24 April 2013. The BOD is made up of one President Director and seven members who are charged with the efficient and effective management of the Company. This body was given its mandate after having considered the extensive requirements needed to manage the Company as well as the complexity of the Company's businesses.

The BOD is composed of:

Ketut Budi Wijaya	President Director
Tjokro Libianto	Director
Djoko Harjono	Director
Roberto Fernandez Feliciano	Director
Rahmawaty	Director
Jenny Kuistono	Non-affiliated Director

All of the members of the BOD save for Mrs. Rahmawaty were the Directors from the previous period. One of the six Directors was appointed as a Non-affiliated Director and all of the members of the BOD have met all the criteria set by law, OJK regulations and the Company's Articles of Association.

The members of the BOD are required to meet specific criteria as stated in Article 15 of the Company's Articles of Association. The member should:

- Possess good moral character
- Be capable of performing legal actions
- Never have been declared bankrupt or be a member of a BOD or BOC who is judged to have caused the bankruptcy of a Company and

- Never have been sentenced for a criminal offense which caused financial loss to the state in the past 5 (five) years prior to his appointment.

Any 2 (two) Directors collectively may act for and on behalf of the Directors to represent the Company.

- Conflict of Interest  
Should there be a conflict of interest between the Company and a member of the BOD, another member of the BOD will be assigned to represent the Company. In cases where the entire BOD is deemed to have a conflict of interest with the Company, a member of the BOC will then be assigned to represent the Company.

Any actions undertaken by BOD members that will compromise the Company's profits are strictly prohibited and the Directors are obliged to declare any conflicting interests in all their undertakings.

#### 4. BOD Meetings

- Implementation Procedures  
A BOD meeting is convened when deemed necessary by its members and among other reasons, whenever a strategic policy, financial report or Company performance requires decisions to be made.
- Chairmanship of the BOD  
The BOD is chaired by the President Director or another member of the BOD who is appointed by members of the BOD in attendance at the meetings.
- Decision-making  
All decisions made by the BOD Meetings are reached based on the principle of consensus. If consensus cannot be reached, decisions are made by casting a vote to obtain more than ½ (half) of the entire amount of legitimate votes in the Meeting. Where the number of votes in favor and against is equal, the decision shall then be at the discretion of the Chairman of the BOD meeting.

### Schedule of 2013 BOD Meetings

The BOD convened 9 meetings during 2013. The schedule, agenda and attendance of the meeting are:

### 2013 BOD Meeting Agenda and Attendance List

No.	Date	Meeting Agenda	KBW	TL	JR	YES	DH	RF	IB	JK	
1	15 January 2013	1. 2013 Corporate Meeting Schedules. 2. 2013 Corporate Information. 3. Others.	1	1	1	1	1	0	1	1	
2	22 January 2013	1. Approval to the Minutes of Meeting held on 15 January 2013. 2. Corporate Actions’s Update. 3. Others.	1	1	1	1	1	1	0	1	
No.	Date	Meeting Agenda	KBW	TL	DH	RF	RAH	JK	*)		
3	19 February 2013	1. Approval to the Minutes of Meeting held on 22 January 2013. 2. Business Unit Update. 3. Others.	1	1	1	1	1	1			
4	12 March 2013	1. Approval to the Minutes of Meeting held on 19 February 2013. 2. Year of 2012 Financial Report. 3. Others.	1	1	1	1	1	1			
5	22 April 2013	1. Approval to the Minutes of Meeting held on 12 March 2013. 2. Q1 2013 Financial Report. 3. Others.									
6	20 June 2013	1. Approval to the Minutes of Meeting held on 22 April 2013. 2. Business Unit Update. 3. Others.	1	1	0	1	1	1			
7	22 July 2013	1. Approval to the Minutes of Meeting held on 20 June 2013. 2. 1st Half 2013 Financial Report. 3. Others.	1	1	1	1	1	1			
8	21 October 2013	1. Approval to the Minutes of Meeting held on 22 July 2013. 2. Q3 2013 Financial Report. 3. Others.	1	1	1	0	1	1			
9	19 November 2013	1. Approval to the Minutes of Meeting held on 21 October 2013. 2. Governance. 3. Others.	1	1	1	1	1	1			
10	26 November 2013	1. Approval to the Minutes of Meeting held on 19 November 2013. 2. Corporate Update. 3. Others.	1	1	1	1	1	1			
11	10 December 2013	1. Approval to the Minutes of Meeting held on 26 November 2013. 2. Corporate Update. 3. Others.	1	1	1	1	1	1			

\*) Note: Board of Director's composition has changed since AGM 24 April 2013.

**KBW** = Ketut Budi Wijaya, **TL** = Tjokro Libianto, **JR** = Jopy Rusli, **YES** = E. Yudhistira Susiloputro, **DH** = Djoko Harjono, **RF** = Roberto F. Feliciano, **IB** = Ivan S. Budiono, **JK** = Jenny Kuistono, **RAH** = Rahmawaty

### Internal Audit

The Internal Audit Division is charged with the task of internal control and risk management in the context of Good Corporate Governance practices. At this time, the Company has not formed a committee to manage risk control, and Internal Audit is assigned to also perform the risk management function.

Internal Audit is also tasked to actively assist the Audit Committee in monitoring, evaluating and providing recommendations for internal control as well as in identifying problems and preventing or reducing the Company's exposure to risk.

Internal Audit's main role lies in the assessment of whether or not the Company's internal control systems are functioning as they should. To gauge this, Internal Audit analyzes a variety of parameters which include but are not limited to the assessment of adherence to all established regulations, policies, work plans and budgets set up by the BOD, the assessment of the efficiency and effectiveness of the operational performance, investigation of any possibility of discrepancy, fraud or misused authority, identification, risk mapping and effectiveness of each business unit in managing and mitigating risk and reviews of the financial reporting procedure to ensure timely reporting and compliance with the prevailing regulation and guidelines.

The tasks assigned to Internal audit are based on an annual work plan approved by the President Director and the Audit Committee. Internal Audit is also tasked with special examinations upon the discretion of the President Director.

In the performance of its duties, Internal Audit follows an Internal Audit Charter that has been approved by the Audit Committee. The charter takes into account the Internal Audit Code of Ethics as well as the Professional Practices Standard of Internal Audit and other pertinent regulations.

The activities of the Internal Audit are reflected in reports submitted to the President Director and the Audit Committee. Periodic meetings are held by these parties in order to discuss and review the Internal Audit reports. The Audit Committee covers meetings and discussions of Internal Audit for the BOC and gives feedback on its supervisory function.

In 2013, in executing its duties, Internal Audit convened 81 meetings with management of operational divisions, and held 9 meetings with the Audit Committee. In the meetings, Internal Audit highlighted findings found during audits and followed up on recovery actions taken by the management of the relevant divisions. In the meetings with the Audit Committee, Internal Audit reported their reviews of the quarterly, semesterly or annual financial statements, their findings and recommendations and the working plan for next term.

On 31 December 2013, Head of the Internal Audit Division was Arthur F. Kalesaran who was appointed by the Board of Commissioners on April 23 2013. There are 8 members of Internal Audit team who are fully dedicated and competent.

Arthur F. Kalesaran, Head of Internal Audit obtained a certificate of Internal Auditor Head after attending the education and training held by Pusat Penembangan Akuntansi dan Keuangan (PPAK) in 2013 and was entitled as a Professional Internal Auditor.

### Independent Auditor

The 24 April 2013 AGMS gave authority to the BOC to commission the services of an independent public accountant to audit the Company's financial statements ending 31 December 2013. Only Independent Public Accountants listed in good standing with OJK were considered for the post.

The directive to hire an independent accounting firm was implemented through the commissioning of Aryanto, Amir Jusuf, Mawar & Saptoto Public Accountant Firm to audit the Company's financial statements ending 31 December 2013.

As stated in their report No. R/151. AGA/bna.1/2013 dated 25 March 2013, Aryanto, Amir Jusuf, Mawar & Saptoto Public Accounting Firm provided an unqualified opinion for the Consolidated Financial Statements For the Year Ended 31 December 2012 of PT Lippo Karawaci Tbk and subsidiaries.



Apart from auditing the Company's and subsidiaries Consolidated Financial Statements For the Year Ended 31 December 2012, Aryanto, Amir Jusuf, Mawar & Saptoto Public Accounting Firm was also engaged in performing a limited review on the Company's and subsidiaries Consolidated Financial Statements for the periods ended 31 March 2013, 30 June 2013 and 30 September 2013 respectively.

Based on report No. R/589.AGA/bna.2/2013 dated 26 September 2013, Aryanto, Amir Jusuf, Mawar & Saptoto Independent Public Accountant Firm provided an unqualified opinion for the Interim Consolidated Financial Statements For The period of 6 months ending 30 June 2013.

### Communication

Lippo Karawaci holds its shareholders and investors in the highest regard and inevitable part of sustainable business growth. The Company makes all information and updates pertaining to the performance easily accessible on its website [www.lippokarawaci.co.id](http://www.lippokarawaci.co.id). Inquiries may also be directed to:

PT Lippo Karawaci Tbk  
Phone: +62 21 2566 9000  
Fax: +62 21 2566 9098 / 99  
E-mail: [corsec@lippokarawaci.co.id](mailto:corsec@lippokarawaci.co.id)

### Corporate Secretary

The Corporate Secretary holds a frontline position and is critical in ensuring transparency and compliance in the Company. It is also a responsibility of

the Corporate Secretary's to maintain good relations and strategic partnerships with the shareholders, capital market authorities, mass media and the public. The Corporate Secretary also monitors the Company's compliance with the capital market's rules and regulations and the Company's Articles of Association.

Another function of the Corporate Secretary is to provide assistance to the BOC and the BOD in ensuring GCG practices are followed throughout the Company's business activities as well as corporate actions.

The position of Corporate Secretary has been held by Mrs. Jenny Kuistono since 2004.

## List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
1	10 January 2013	003/LK-COS/I/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 December 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
2	10 January 2013	004/LK-COS/I/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "LPKR Successfully Issues New USD130 Million, 2020 Global Senior Notes, 6.5x Oversubscribed."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
3	15 January 2013	009/LK-COS/I/2013	OJK (Financial Services Authority)	Report on the Company's Share Buyback as of 31 December 2012.	Bapepam Regulation No. XI.B.2 regarding Share Buyback issued by the Issuer or Public listed Company.
4	15 January 2013	010/LK-COS/I/2013	OJK (Financial Services Authority) cc: IDX	Realization Report of the usage of Right Issue Funds as of 31 December 2012.	"Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds."
5	16 January 2013	014/LK-COS/I/2013	OJK (Financial Services Authority) cc: IDX	Document Submission.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
6	14 February 2013	042/LK-COS/II/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 January 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
7	22 February 2013	045/LK-COS/II/2013	OJK (Financial Services Authority) cc: IDX	Explanation to OJK in respond to their letter No. S-35/PM.23/2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
8	22 February 2013	046/LK-COS/II/2013	OJK (Financial Services Authority)	Explanation to OJK in respond to their letter No. S-64/PM.23/2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
9	27 February 2013	054/LK-COS/II/2013	OJK (Financial Services Authority)	Explanation to OJK in respond to their letter No. S-63/PM.23/2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
10	5 March 2013	057/LK-COS/III/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 January and 28 February 2013.	Letter of OJK No: S-124/ PM.23/2013
11	11 March 2013	063/LK-COS/III/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 28 February 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
12	18 March 2013	071/LK-COS/III/2013	OJK (Financial Services Authority) cc: IDX	Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
13	25 March 2013	076/LK-COS/III/2013	OJK (Financial Services Authority) cc: IDX	Proof of Announcement of Information of the Annual General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Article 12 of the Company's Article of Association.
14	27 March 2013	079/LK-COS/III/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Explanation of 20% Analyze of Change of PT Lippo Karawaci Tbk Financial Report for the period ended 31 December 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
15	27 March 2013	080/LK-COS/III/2013	OJK (Financial Services Authority) cc: IDX	Submission of PT Lippo Karawaci Tbk Consolidated Financial Statement as of 31 December 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
16	27 March 2013	081/LK-COS/III/2013	OJK (Financial Services Authority) cc: IDX	Proof of announcement of the Consolidated Financial Statement as of 31 December 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
17	27 March 2013	082/LK-COS/III/2013	PT BEI (via IDX Net e-reporting)	Announcement of the Information Disclosure regarding Report of Share Ownership.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

## List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
18	9 April 2013	091/LK-COS/IV/2013	OJK (Financial Services Authority) cc: IDX	Proof of Invitation to the Annual General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Article 12 of the Company's Article of Association.
19	9 April 2013	092/LK-COS/IV/2013	OJK (Financial Services Authority) cc: IDX	Submission of PT Lippo Karawaci Tbk 2012 Annual Report.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
20	10 April 2013	095/LK-COS/IV/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 March 2013.	Letter of OJK No: S-124/PM.23/2013
21	12 April 2013	098/LK-COS/IV/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 March 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
22	15 April 2013	101/LK-COS/IV/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release " PT Lippo Karawaci Tbk Opens State of The Art Referral Hospital in Makassar to Anchor Eastern Indonesia Hospital Network."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
23	17 April 2013	105/LK-COS/IV/2013	OJK (Financial Services Authority)	Explanation to OJK in respond to their letter No. S-207/PM.23/2013).	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
24	18 April 2013	107/LK-COS/IV/2013	OJK (Financial Services Authority)	Annual General Meeting of Shareholders Plan (in respond to letter of OJK No. S-228/PM.23/2013)	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
25	25 April 2013	116/LK-COS/IV/2013	OJK (Financial Services Authority) cc: IDX	Annual General Meeting of Shareholders Results.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
26	25 April 2013	117/LK-COS/IV/2013	OJK (Financial Services Authority) cc: IDX	Proof of the announcement of Result of the Annual and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
27	25 April 2013	118/LK-COS/IV/2013	OJK (Financial Services Authority) cc: IDX	Audit Committee of PT Lippo Karawaci Tbk.	Bapepam Regulation No. Kep-29/ PM/2004 dated 24 September 2004 regarding Establishment and Implementation Guidelines of Audit Committee.
28	30 April 2013	121/LK-COS/IV/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ending March 31, 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.

### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
29	30 April 2013	122/LK-COS/IV/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk Q1 YoY Revenues and Profits Up 26% and 23%. Hospitals Revenue Up 45%.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
30	2 May 2013	123/LK-COS/V/2013	OJK (Financial Services Authority)	Explanation to OJK in respond to their letter No. S-225/PM.23/2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
31	3 May 2013	125/LK-COS/V/2013	OJK (Financial Services Authority)	Explanation to OJK in respond to their letter No. S-306/PM.23/2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
32	8 May 2013	130/LK-COS/V/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 30 April 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
33	10 May 2013	133/LK-COS/V/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 30 April 2013.	Letter of OJK No: S-124/ PM.23/2013
34	15 May 2013	137/LK-COS/V/2013	OJK (Financial Services Authority)	Disclosure of Information regarding Closing of Project Kesehatan III.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
35	24 May 2013	141/LK-COS/V/2013	OJK (Financial Services Authority) cc: IDX	Disclosure of Information regarding Siloam Hospitals TB Simatupang.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
36	27 May 2013	144/LK-COS/V/2013	OJK (Financial Services Authority)	OJK's Invitation regarding Technical Examination to the Company.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
37	10 June 2013	152/LK-COS/VI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 May 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
38	10 June 2013	153/LK-COS/VI/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 May 2013.	Letter of OJK No: S-124/ PM.23/2013
39	12 June 2013	156/LK-COS/VI/2013	OJK (Financial Services Authority)	Examination of mid year of 2012 Financial Statement and 2012 Financial Statement of PT Lippo Karawaci Tbk.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
40	26 June 2013	160/LK-COS/VI/2013	OJK (Financial Services Authority)	Disclosure of Information regarding PT Siloam International Hospitals' Initial Public Offering (IPO).	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.



## List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
41	9 July 2013	166/LK-COS/ VII/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 30 June 2013.	Letter of OJK No: S-124/ PM.23/2013
42	10 July 2013	169/LK-COS/ VII/2013	PT BEI (via IDX Net e-reporting)	Submission of the current confirmation of compliance criteria in one group company by the public listed company.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
43	12 July 2013	171/LK-COS/ VII/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 30 June 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
44	12 July 2013	172/LK-COS/ VII/2013	PT BEI (via IDX Net e-reporting)	Submission of the current confirmation of compliance criteria in one group company by the public listed company.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
45	26 July 2013	185/LK-COS/ VII/2013	OJK (Financial Services Authority) cc: IDX	Audit Plan to Lippo Karawaci's Consolidated Financial Report for the month ended 30 June 2013.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
46	29 July 2013	187/LK-COS/ VII/2013	OJK (Financial Services Authority)	Explanation of the News regarding Embarcadero Project in Investor Daily newspaper.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
47	2 August 2013	194/LK-COS/ VIII/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 July 2013.	Letter of OJK No: S-124/ PM.23/2013
48	2 August 2013	195/LK-COS/ VIII/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 July 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
49	15 August 2013	202/LK-COS/ VIII/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Siloam International Hospitals Launches Up To Rp16.5 Trillion Market Capitalization International IPO."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
50	21 August 2013	208/LK-COS/ VIII/2013	OJK (Financial Services Authority)	Explanation Letter in respond to OJK's Letter No. S-306 regarding Right Issue of PT Lippo Karawaci Tbk.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
51	26 August 2013	214/LK-COS/ VIII/2013	OJK (Financial Services Authority) cc: IDX	Disclosure of Information regarding "Siloam Hospitals Initial Public Offering (IPO)."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
52	3 September 2013	218/LK-COS/IX/2013	OJK (Financial Services Authority) cc: IDX	Submission of Press Release "Global Anchor Funds Stand Behind Siloam IPO".	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
53	10 September 2013	222/LK-COS/IX/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 August 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
54	10 September 2013	223/LK-COS/IX/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 August 2013.	Letter of OJK No: S-124/ PM.23/2013
55	11 September 2013	227/LK-COS/IX/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "Siloam Successfully Concludes USD1.0 Billion IPO In The Midst Of Volative Market."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
56	13 September 2013	230/LK-COS/IX/2013	PT BEI	Request of Presentation at INVESTOR SUMMIT in Surabaya.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
57	13 September 2013	231/LK-COS/IX/2013	cq. Direktorat Standar Akuntansi dan Tata Kelola/ Kepala Divisi Tata Kelola - OJK	Submission of Questionnaire of Regulation No. X.K.6 regarding Annual Report.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
58	16 September 2013	233/LK-COS/IX/2013	PT BEI	Confirmation on the Company's Website.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
59	19 September 2013	234/LK-COS/IX/2013	OJK (Financial Services Authority)	Request of Delay to Attend the FSA Invitation to the Technical Examination of PT Lippo Karawaci Tbk.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
60	30 September 2013	242/LK-COS/IX/2013	OJK (Financial Services Authority) cc: IDX	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ending June 30, 2013.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
61	30 September 2013	243/LK-COS/IX/2013	OJK (Financial Services Authority) cc: IDX	Proof of announcement of the Consolidated Financial Statement as of 30 June 2013.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
62	30 September 2013	244/LK-COS/IX/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk (Audited) 1st Half 2013 Results: Revenues & Net Profits Up 27% & 25%. Hospitals Revenue Up 48%."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.

### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
63	8 October 2013	249/LK-COS/X/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk Widens Hedging Spread."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
64	9 October 2013	250/LK-COS/X/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 30 September 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
65	9 October 2013	251/LK-COS/X/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 30 September 2013.	Letter of OJK No: S-124/ PM.23/2013
66	9 October 2013	252/LK-COS/X/2013	OJK (Financial Services Authority) cc: IDX	Submission of Press Release "PT Siloam International Hospitals Tbk (SILO) - Exercise of Over-Allotment Option."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
67	10 October 2013	253/LK-COS/X/2013	OJK (Financial Services Authority)	Submission of additional copies of Consolidated PT Lippo Karawaci Tbk Financial Report for the period ended 30 June 2013.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
68	28 October 2013	268/LK-COS/X/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "Lippo Thamrin Sets a New Property Record in Indonesia."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
69	31 October 2013	271/LK-COS/X/2013	OJK (Financial Services Authority) cc: IDX	Submission of Consolidated PT Lippo Karawaci Tbk Financial Report for the period ended 30 September 2013.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
70	31 October 2013	272/LK-COS/X/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk 9 Months 2013 Results: Revenues & Net Profits Up 25% & 24% Hospitals Revenue Up 47%."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
71	6 November 2013	274/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk Awarded The Best Developer in South East Asia."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
72	8 November 2013	276/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 31 October 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.

### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
73	8 November 2013	277/LK-COS/XI/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 31 October 2013.	Letter of OJK No: S-124/PM.23/2013
74	11 November 2013	279/LK-COS/XI/2013	OJK (Financial Services Authority) cc: IDX	Cash Dividend Distribution.	IDX Regulation No. II-A Kep-565/ BEJ/11-2003 regarding Securities Trading.
75	11 November 2013	280/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk Launches St. Moritz Makassar, World Class Mixed Used Development Project With A Value of Rp3,5 Trillion."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
76	12 November 2013	282/LK-COS/XI/2013	OJK (Financial Services Authority) cc: IDX	Proof of announcement of Cash Final Dividend Distribution for the year ended 2011.	IDX Regulation No. II-A Kep-565/ BEJ/11-2003 regarding Securities Trading.
77	18 November 2013	289/LK-COS/XI/2013	OJK (Financial Services Authority) cc: IDX	Information Disclosure regarding Cash Dividen Ratio.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
78	18 November 2013	290/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Notification of PT Lippo Karawaci Tbk's Public Expose.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
79	18 November 2013	291/LK-COS/XI/2013	OJK (Financial Services Authority)	Explanation to the OJK's Request of Information.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
80	25 November 2013	303/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Public Expose material of PT Lippo Karawaci Tbk.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
81	28 November 2013	306/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Submission of Press Release "PT Lippo Karawaci Tbk 2014 Preliminary Projection: Ordinary Business Revenue and Profit: Rp8.6 Trillion and Rp1.4 Trillion, Up 29% and 17%. Total Revenue and Profits: Rp11.6 Trillion and Rp2.7 Trillion, Up 74% and 120%."	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
82	28 November 2013	307/LK-COS/XI/2013	OJK (Financial Services Authority)	Report of Afiliated Transaction of PT Siloam International Hospitals.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.



### List of the Corporate Secretary's Correspondences with Capital Market Authority During Y2013

No	Date	Reference No.	Destination	Subject	Regulation
83	29 November 2013	309/LK-COS/XI/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Result of Public Expose of PT Lippo Karawaci Tbk.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
84	10 December 2013	314/LK-COS/XII/2013	OJK (Financial Services Authority)	Report of debt/liabilities in foreign currency as of 30 November 2013.	Letter of OJK No: S-124/ PM.23/2013
85	10 December 2013	315/LK-COS/XII/2013	PT BEI (via IDX Net e-reporting) cc: OJK	Monthly Report on the Shareholders Registry as of 30 November 2013.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
86	19 December 2013	323/LK-COS/XII/2013	OJK (Financial Services Authority)	Invitation of Explanation Request.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

### List of Press Release 2013

No.	Date	Reference No.	Topic
1	10 January 2013	004/LK-COS/I/2013	PT Lippo Karawaci Tbk. Successfully Issues New USD130 Million, 2020 Global Senior Notes, 6.5X Oversubscribed
2	15 April 2013	101/LK-COS/IV/2013	PT Lippo Karawaci Tbk. Opens State Of The Art Referral Hospital In Makassar To Anchor Eastern Indonesia Hospital Network
3	30 April 2013	122/LK-COS/IV/2013	PT Lippo Karawaci Tbk. Q1 Yoy Revenues & Profits Up 26% & 23%. Hospitals Revenue Up 45%
4	15 August 2013	202/LK-COS/VIII/2013	PT Siloam International Hospitals Launches Up To Rp16.5 Trillion Market Capitalization International IPO
5	03 September 2013	218/LK-COS/IX/2013	Global Anchor Funds Stand Behind Siloam IPO
6	11 September 2013	227/LK-COS/IX/2013	Siloam Successfully Concludes USD1.0 Billion IPO In The Midst Of Volatile Market
7	30 September 2013	244/LK-COS/IX/2013	PT Lippo Karawaci Tbk. (Audited) 1st Half 2013 Results: Revenues & Net Profits Up 27% & 25%. Hospitals Revenue Up 48%
8	08 October 2013	249/LK-COS/IX/2013	PT Lippo Karawaci Tbk. Widens Hedging Spread
9	09 October 2013	252/LK-COS/X/2013	PT Siloam International Hospitals Tbk. (SILO) - Exercise of Over-allotment Option
10	27 October 2013	268/LK-COS/X/2013	Lippo Thamrin Sets a New Property Record In Indonesia
11	31 October 2013	272/LK-COS/X/2013	PT Lippo Karawaci Tbk. 9 Month 2013 Results: Revenues & Net Profits Up 25% & 24% Hospitals Revenue Up 47%
12	06 November 2013	274/LK-COS/XI/2013	PT Lippo Karawaci Tbk. Awarded The Best Developer In South East Asia
13	11 November 2013	280/LK-COS/XI/2013	PT Lippo Karawaci Tbk. Launches St. Moritz Makassar, World Class Mixed Used Development Project with A Value of Rp3,5 Trilion
14	28 November 2013	306/LK-COS/XI/2013	PT Lippo Karawaci Tbk. 2014 Preliminary Projection: Ordinary Business Revenue And Profit: Rp8.6 Trillion And Rp1.4 Trillion, Up 29% And 17%. Total Revenue And Profits: Rp11.6 Trillion And Rp2.7 Trillion, Up 74% And 120%

## Lippo Karawaci Raih Penghargaan

(KARAWACI) PT Lippo Karawaci Tbk berhasil meraih penghargaan tertinggi The Best Developer South East Asia dalam ajang South East Asia Property Award (SEAPA) 2013 yang diselenggarakan Savign Media, penerbit terkemuka Property Report South East Asia Magazine yang terbit di Thailand dan Singapura. Selain itu Pwccerwin juga meraih penghargaan untuk kategori The Best Developer Indonesia dan The Best Condo Indonesia melalui pengaprekan perumahan Kanung Village.

Selanjutnya penghargaan tersebut diperoleh setelah menyimpulkan lebih dari 3000 nominasi yang masuk tahun ini dari seluruh media yang terbit di Asia yang dilakukan oleh tim panel ahli yang melibatkan tokoh-tokoh bisnis dan properti regional yang dipimpin oleh Chief Executive Officer Pwccerwin, Alexander Kanung Siman.

### Kesempatan Kerja

"Kami sangat bangga dapat memperoleh penghargaan tertinggi dalam ajang penilaian ini. Hal ini menunjukkan



Alexander Kanung Siman, Chairman of Board & Chief Executive Officer Kanung Management mengucapkan penghargaan tertinggi The Best Developer South East Asia kepada PT Lippo Karawaci Tbk. Beliau mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village.

kanung Siman mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village. Beliau mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village. Beliau mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village.

kanung Siman mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village. Beliau mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village.

Source: Suara Pembaruan 7 November 2013

## Lippo Thamin Mulai Dipasarkan



Kini ke depan, CEO Lippo Homes dan Setiawan Bulloso, CEO PT Lippo Karawaci Tbk akan berkolaborasi dan Chief Marketing Officer Lippo Thamin untuk memasarkan Lippo Thamin di The Plaza, Jakarta, dan G4101 PT Lippo Karawaci Tbk membangun Lippo Thamin di Rp 1,25 triliun yang akan dibangun di kawasan G4101.

Source: Harian Kontan 25 October 2013



PT SILOAM International Hospitals Tbk, Jakarta, akan meluncurkan layanan kesehatan di kawasan G4101 PT Lippo Karawaci Tbk. Beliau mengatakan, Lippo Karawaci Tbk telah menjadi penggerak utama dalam pembangunan perumahan di kawasan Kanung Village.

## Siloam International Hospitals Sasar 40 Rumah Sakit

PT Siloam International Hospitals menargetkan akan memiliki 40 rumah sakit hingga 2018 dengan 10 ribu tempat tidur. Hingga saat ini sudah ada 14 rumah sakit yang beroperasi dan akan bertambah menjadi 16 unit hingga akhir tahun.

"Kami menambh empat rumah sakit baru hingga akhir tahun ini sehingga jumlahnya akan menjadi 16," ujar Direktur PT Siloam International Hospitals Koen F Llesdi, di Jakarta, kemarin.

Keempat rumah sakit itu berada di Bali dan TB Binuswang, Jakarta. RS yang masih dalam tahap konstruksi adalah RS Siloam di Medan dan Kupang.

Untuk memenuhi target tersebut, Siloam menganggarkan dapat memperoleh dana sebesar Rp1,8 triliun-Rp 2,3 triliun dari penawaran umum saham perdana kepada publik melalui public offering (IPO). Jumlah saham yang akan diterbitkan sebanyak 162,75 juta lembar.

Harga penawaran untuk per lembar sahamnya di kisaran Rp11.200-Rp 14.200. PT Ciptadana Securities dan PT Credit Suisse Securities Indonesia ditunjuk menjadi joint domestic lead underwriter. Pencetakan publik tentatif akan dilaksanakan pada 12 September.

Menurut Romen, sebanyak 52,5% dana yang

diperoleh dari IPO akan dialokasikan untuk belanja modal dalam pembelian peralatan medis dan perluasan rumah sakit. Sebanyak 27,5% digunakan untuk membayar sebagian dana yang diperoleh dari Lippo Karawaci terkait dengan belanja modal untuk pembangunan dan pengembangan rumah sakit.

Selanjutnya, 20% dari hasil penawaran umum digunakan untuk akuisisi rumah sakit, operator rumah sakit, ataupun perusahaan health care yang akan mendukung kinerja Siloam Hospitals.

"Kami memperluas kesempatan yang bagus untuk meningkatkan layanan kesehatan di Indonesia secara signifikan dalam 10 tahun ke depan," ujar Presiden Direktur PT Siloam Hospitals Dr Gerdau Paul. Ditambahkan pula, IPO tersebut akan lebih memperkuat organisasi dan tim dalam memberikan layanan kesehatan terbaik secara rasional.

Pada 2012 Siloam berhasil meraup pendapatan US\$184 juta atau sekitar Rp1,84 triliun dan laba sebelum pajak US\$23 juta (Rp230 miliar). Tahun ini, mereka menargetkan akan meraih pendapatan Rp2,7 triliun dengan laba sebelum pajak Rp400 miliar. Anggaran belanja modal yang dialokasikan di 2013 mencapai Rp1,8 triliun, ("E-1")

Source: Media Indonesia 16 August 2013

## Investor Relations

The Company's Investor Relations Divisions is committed to communicate regularly with shareholders, investors, and analysts to provide timely and consistent updates on quarterly financial results and corporate activities. The Company maintains a high level of investor interaction with its stakeholders through face-to-face meetings, teleconferences, investor conferences, roadshows, site visits and analyst conferences and briefings. Interviews taken by senior management with key Indonesia print and broadcast media also helped to increase understanding of the Group's strategy and operations.

The Company is committed to providing stakeholders with comprehensive, timely and equal access to information about its activities to enable them to make informed investment decisions. The Company treats all its shareholders fairly and equitably and keeps all its

shareholders and other stakeholders and analysts around the world informed of its corporate activities, including changes in the Company or its business which would be likely to materially affect the price or value of its shares, on a timely and consistent basis

The Company's corporate website forms a key part of the Group's communication to stakeholders and the broader investment community. A section of the website "Investor Center" is dedicated to its stakeholders. Press Releases, investor presentations and quarterly and full year financial reports are available for review on the corporate website. These press releases, presentations and financial reports are posted on the Group's corporate website immediately after they have been released to the market. In addition, stakeholders can elect to be placed on IR mailing list and receive notifications of certain corporate information as soon as the information is released to the market.

Regular briefings and meetings for analysts and the media are held, generally during the public expose held by end of the year. During the public expose, Senior Management reviews the Group's most recent performance and discusses the Company's outlook for the following year.

To communicate effectively with the investment communities, in 2013, the Company's Investor Relations participated in 57 roadshows in Asia, Europe and USA. In addition, the Investor Relations team also attended 93 meetings with analysts, representatives of institutional investors, brokers, fund managers, and investment bankers.

The Company Investor Relations efforts have been recognised by the investment community. In 2013, it was awarded by Corporate Governance Asia as "3rd Asian Excellence Recognition Awards 2013: Best Investor Relations by Company in Indonesia".

## List of Roadshows 2013

No.	Date	Events	Location
1	7-10 January	31st Annual JP Morgan Global Healthcare Conference	San Francisco, USA
2	09 January	Credit Suisse - Asia Real Estate Conference	Hong Kong
3	16 January	OSK - ASEAN & Hong Kong Corporate Day	Singapore
4	30 January -1 February	Citi Asia Pacific Investors Conference	Singapore
5	25-27 February	JP Morgan's 4th Annual Global Emerging Markets Corporate Conference	Miami, USA
6	4 March	CIMB Annual Asia Pacific Leader's Conference	New York, USA
7	5-6 March	Citi's 2013 Global Property CEO Conference	Florida, USA
8	5-6 March	UBS Indonesia Conference	Jakarta, Indonesia
9	6 March	Bank of America Merrill Lynch - ASEAN Stars Conference 2013	Singapore
10	7-8 March	Daiwa Investment Conference	Tokyo, Japan
11	7-8 March	Nomura's ASEAN All Access 2013	London, UK
12	13-15 March	CLSA Corporate Access Forum	Bangkok, Thailand
13	19-20 March	Credit Suisse 16th Asian Investment Conference (AIC)	Hong Kong
14	25-26 March	Morgan Stanley Indonesia Corporate Access Days	USA
15	26-27 March	JP Morgan - Asia Pacific Real Estate Forum	Singapore
16	4-5 April	Goldman Sachs - Result Lunch	Singapore, Hong Kong

## List of Roadshows 2013

No.	Date	Events	Location
17	11-17 April	Non Deal Roadshow with HSBC	Europe (London, Edinburg, Paris, Amsterdam, Frankfurt)
18	23 April	Asia Pacific Property Corporate Day (APREA by Macquarie)	Singapore
19	15-16 May	Morgan Stanley - Fourth Annual Hong Kong Conference	Hong Kong
20	15-16 May	HSBC 3rd Annual ASEAN Conference - ASEAN Tigers	Singapore
21	20-22 May	UBS Global Healthcare Conference	New York, USA
22	22-23 May	Barclays Asia Financial & Property Conference 2013	Hong Kong
23	28-29 May	Daiwa Investment Conference	New York, USA
24	3-4 June	Goldman Sachs Asian Conference	London, UK
25	4-5 June	Citi Asean Investor Conference 2013	Jakarta, Indonesia
26	10-12 June	Nomura Asia Equity Forum	Singapore
27	11-13 June	Bank of America Merrill Lynch 2013 CalGems Conference	USA
28	19-20 June	CIMB Asia Pacific Conference	Kualalumpur, Malaysia
29	26 June	LPCK - OSK Asean & Hong Kong Corporate Day	Singapore
30	27-28 June	Citi Asia Pacific Property Conference	Hong Kong
31	4 July	CIMB Indonesia Conference	Bali, Indonesia
32	4 July	DBS Vickers Pulse of Asia Conference	Singapore
33	12 July	Non Deal Roadshow in Taiwan with Goldman Sachs	Taiwan
34	23 August	Barclays 1st ASEAN Corporate Day (ASEAN small & mid cap corporate day)	Singapore
35	26 August	Deutsche Bank Indonesian Workshop	Hong Kong
36	27-29 August	Macquarie Annual ASEAN Conference	Singapore
37	4-5 September	JP Morgan - Annual ASEAN London Forum	London, UK
38	10-11 September	JP Morgan Asia Pacific	Boston, USA
39	12 September	Bank of America Merrill Lynch Global Real Estate Conference	New York, USA
40	13 September	Deutsche Bank Indonesian Corporate Day - GEM Conference	New York, USA
41	16-18 September	Deutsche Bank Non Deal Roadshow	SF, Chicago, Washington (USA)
42	17-18 September	UBS 2nd Annual ASEAN Conference	Singapore
43	20 September	Citi ASEAN Corporate Day	New York, USA
44	23-25 September	20th CLSA Investor's Forum	Hong Kong
45	30 September - 1 October	Barclays in partnership with Mandiri - Indonesia Corporate Day	London, UK
46	3 October	6th Annual Deutsche Bank Access Indo Conference	Jakarta, Indonesia
47	3-4 October	Danareksa & Credit Suisse: Indonesia Investment Day	New York, USA
48	21-23 October	Daiwa - IDX: Best of Indonesia	Tokyo (Japan) and Toronto (Canada)
49	23-24 October	Nomura Indonesia Conference + Site visit (SHLV) on the 24th (14:30-16:00)	Jakarta, Indonesia
50	31 October - 1 November	Standard Chartered - Double in 3/Triple in 5 APAC Emerging Corporate Conference 2013	Singapore
51	1 November	UBS Asia Healthcare CEO Summit	Hong Kong
52	12 November	Goldman Sachs and Mandiri - Indonesia Investment Day	Jakarta, Indonesia



## List of Roadshows 2013

No.	Date	Events	Location
53	14-15 November	Morgan Stanley 12th Annual Asia Pacific Summit	Singapore
54	19-20 November	8th Annual Daiwa Investment Conference (DIC)	Hong Kong
55	25-26 November	CLSA ASEAN Access Day Investor Conference	Singapore and Hong Kong
56	27 November	Nomura Asian HY Conference (08:00-13:00)	Hong Kong
57	3-4 December	UBS 16th Annual Global Real Estate Conference	London, UK

### Code of Conduct

Lippo Karawaci developed a set of work ethics as a Code of Conduct to be used in the implementation of Company business. This BOD approved Code took the global standards, applies to all Company members and exempts no one, aiming that the Company's corporate values and principles are institutionalized throughout the organization. The Code was created to enhance accountability, independency and transparency as well as to better abide by existing regulations. This Code of Conduct has been circulated to all Company members and is constantly brought up in all Company events. It is also an integral part in the orientation of new members.

The Code of Conduct highlights these key points:

#### 1. Integrity

Staff members of the Company must uphold integrity in the performance of their duties. Integrity requires honesty which is an irreplaceable character and trait.

#### 2. Gifts and Assistance

To maintain professionalism and independency, each employee is prohibited from accepting gifts for personal benefit directly or indirectly from any party having a business relationship with the Company. This applies also to gifts or gratuities indirectly granted to the employee's family or relatives or any other third party.

#### 3. Conflict of Interest

Staff members must avoid situations that may cause conflict between Company's and personal interests.

If an employee is involved in such situation, such employee shall declare each situation to Human Resources.

#### 4. Human Resources

The Company is committed to treat and provide equal opportunities to all staff members regardless of gender, ethnicity or religious belief. The Company strives to create a conducive and positive working environment at all times.

#### 5. Confidential Information

All staff members are prohibited from disclosing confidential information or any information pertinent to the Company's businesses. To support this regulation, the Company requires that all staff members complete and sign an Information Disclosure Statement form, regularly done every year or if deemed necessary by the Company BOD.

### Disclosure

#### Ownership of Shares in the Company

Each member of the BOC and BOD has declared that no member owns any shares in the Company.

### Litigation

The Company faces litigation cases as follows:

#### List of Cases of PT Lippo Karawaci and its Subsidiaries:

- 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 Cassation Decision Notice Supreme Court 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 the case 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 against the Company as first defendant and four other defendants in connection with an alleged malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt. Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta No. 548/PDT/2010/PT.DKI.

On February 23, 2012, the plaintiffs filed an appeal against the decision of the High Court to the Supreme Court. Until the reporting date, this case is still in process.

- On October 1, 2012, Wahju Indrawan, the plaintiff, filed a lawsuit No. 71/Pdt.G/2012/PN.JBI to PT Golden First Atlanta (GFA), a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff's spouse.

All claims were declined through decision of District Court Jambi No. 71/Pdt.G/2012/PN.JBI date July 23, 2013 and was upheld on December 18, 2013, through the decision of the High Court of Jambi No. 63/PDT/2013/PT.JBI.

On February 5, 2014, the plaintiff filed appeal to the Supreme Court.

- 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 respective cases are still in the process of reconsideration and 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, both cases are still in the process of reconsideration 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, both cases are 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, both cases are 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.

However the Directors viewed that the claim/lawsuit would not cause a significant impact to the Company's business continuity.

### Corporate Action Containing Conflict of Interest, Materiality and Affiliated Transaction.

In 2013, the Company was not involved in any conflict of interest transaction as stipulated in OJK regulation.

The Company was involved in several material and affiliated party transactions as follows:

On January 14, 2013, Theta Capital Pte. Ltd. ('Theta'), a direct and wholly owned subsidiary of the Company, issued additional Senior Notes of USD130,000,000 bearing a fixed interest rate of 6.125% per annum due on 14 November 2020 (Additional Notes 2020). The issuance of Additional Notes 2020 is unconditionally and irrevocably guaranteed by the Company and certain subsidiaries.

The issuance of Additional Notes 2020 was not a material transaction as stipulated in the regulation of Bapepam-LK No. IX.E.2. However, considering that to the issuance of Additional Notes 2020 were consolidated and formed a single series with the Notes amounting to USD273,306,000 issued by Theta on November 14, 2012 bearing a fixed interest rate of 6.125% per annum and would mature on 14 November 2020 (New Notes 2020 ) carrying the same the terms and conditions, then the overall amount of the Additional Notes 2020 and the Notes New 2020 together were deemed as a material transaction, that fell between the transaction that exceeded 20% but no more than 50% of the equity of the Company as defined in Regulation IX.E .2.

The issuance of Additional Notes 2020 was also deemed to be an affiliated party transaction pursuant to Bapepam-LK Regulation No. IX.E.1.

To comply with the said Bapepam-LK regulations, the Company announced a disclosure of the issuance of Additional Notes 2020 on January 16 2013 and reported to OJK by its letter No. 014/LK-COS/I/2013 dated 17 January 2013.

### Share Buyback

The Company's EGM held on November 15, 2011 approved the Company's proposal to buyback Company shares.

On May 15, 2013 the period of share buyback elapsed.

During the share buyback period, the Company purchased 306,104,500 shares or 25.74% of the total nominal value approved in the EGM. Currently the shares are recorded as treasury stock.

### Business Risks

In the normal course of its business, the Company remains exposed to certain risks that may affect the Company's performance. These risks have been identified based on their potential to significantly impact company performance.

#### Risks Related to the Property Business

1. Increased Interest Rate  
Demand for the Company's properties may be affected by this risk factor. An increase in the Country's interest rates has the potential to adversely affect LPKR property developments.

2. Property Market Fluctuation  
Cyclical in domestic and regional economies directly affect the real estate development industry in Indonesia. The variables that influence the industry include the employment levels, availability of financing, interest rates, and demand for residential, commercial, retail or industrial properties.
3. Discontinuation of Current Projects and Suspension of Planned Projects  
In order to succeed, the Company relies on its expertise in developing, marketing and selling its projects as well as sourcing funds and using them to cover needs in a timely manner. The risks that the Company is exposed to result from delays in obtaining the required permits, availability of raw materials, increasing construction costs, natural calamities, and dependency on third party contractors as well as the risk of decline in market demand during the course of project development.
4. The availability of, and interest rates on, financing for potential purchasers of our properties  
A number of potential buyers of our residential properties finance their purchases through third-party mortgage financing. In the case of the purchase of a first residential property, Bank Indonesia requires a minimum down payment of 30% of the purchase price of the property. The minimum down payment requirement increases to 40% of the purchase price for the second residential property and to 50% of the purchase price for the third or any subsequent residential property.

The changes in this regulation, and the increase in interest rates in Indonesia may potentially impact on a decrease in the demand of property.

5. The Risk of Increased Competition in Indonesia's Property Market

The Company's future projects face competition from the projects of other developers in terms of location, facilities, support infrastructure, services and price. Increased competition among property developers may result in increased in land acquisition prices causing an oversupply of properties which will then adversely affect the Company's profits.

6. The Risk of failure in Obtaining All Business Permits

The Company's business units each require separate permits in order to operate. Not acquiring those permits brings a risk of Government sanctions in the form of business closure, fines and even criminal prosecution.

7. Dependence on Contracting Agencies

The execution of the Company's residential and commercial development projects is awarded to third party contractors. These projects consist of construction work, piling and foundation, interior design, air conditioning and elevator installation, and landscaping. In general, contractors are paid fixed amounts but if costs exceed the agreed amount, contractors may renegotiate with the Company for a cost adjustment. The Company will then be forced to bear the

additional costs in order for the project to be completed. There is also a risk that the contractor may encounter financial difficulties or other challenges which may affect its capability to fulfill its contract. Such an occurrence will cause a delay in the completion of the project or create additional costs that must be met by the Company.

8. Development of New Property Construction

New construction projects may face certain challenges, such as stock shortage of raw materials, shortage of quality manpower, technical issues, strikes, litigation, weather, floods and unanticipated increases in project costs. These risks play a significant part in putting a project over budget as well as delaying its completion.

### Risks Related to the Healthcare Business

1. The Risk of Rapid Technological Advances related to our Medical Equipment

Our Hospitals use sophisticated and expensive medical equipment to provide services. The equipment often needs to be upgraded frequently, as innovation can rapidly make existing equipment obsolete or unable to provide services that patients require or demand. If we are unable to keep up with technological advances, our doctors and patients may turn to other hospitals which have more advanced equipment.

2. Inability to Recruit and Maintain Medical Personnel

The operation of the Company's hospital business depends greatly on the capabilities and skills of its doctors and other medical personnel. With the supply of these professionals being finite, the Company is in constant competition with other hospitals, especially those found in the immediate vicinity, to recruit and maintain doctors and medical personnel. To add to this challenge, country regulations prohibit hospitals from outsourcing medical personnel who do not possess a License to Practice issued by Indonesia's Ministry of Health.

3. Malpractice Claims and Litigation

The Company's hospitals may face the risk confronting claims from both medical and legal fronts and action from the authorities stemming from medical services provided by the Company's hospitals. Such claims may adversely affect the reputation of the hospitals as well as the reputations of the doctors who work there.

4. Environmental Effluence within the Company's Hospital Business

Operational activities of the Company require the use of certain materials/chemicals, processes or installations that are environmentally regulated or require certain permits. Such materials/chemicals are part of medical sewage or toxic wastes, which according to the Government's environmental regulation, the Company is required to manage to avoid environmental pollution or public safety. The Mismanagement



of such toxic wastes may result in sanctions such as fines or payments to cover public damage and the surrounding natural resources or properties.

5. Emerging External Factors that Affect the Company's Healthcare Business

The Company's healthcare business faces a number of challenges commonly faced by the healthcare industry. Most important is the need to provide quality treatment while managing costs. Aside from this, the healthcare business unit is affected by factors such as:

- (i) Development of technology and drugs that may minimize the need for medical services
- (ii) Demographic changes and
- (iii) Changes in the distribution of medical services or other factors that may increase the cost of medical services.

The Company's revenue from its medical facilities as well as the number of patients that seek treatment is affected by the economy. It is part of a cycle determined by external factors, such as:

- (i) Unemployment rate
- (ii) Weather conditions disease cycles
- (iii) Competition and
- (iv) Patient's decision to undergo medical treatment or procedures.

**Risks Related to the Retail Business**

1. Business Crises Affecting the Indonesian Retail Industry

The Company historically develops retail projects and commercial spaces based on strata titles. Now however, the Company develops

leased retail and commercial property where the Company still possesses both land and property rights.

The financial performance of the Company's Retail unit is tied closely to the Country's economic condition as well as to its retail property industry. This makes demand for retail and commercial space especially vulnerable to: the weakening of national, regional and local economies; declines in the financial condition of major retail companies; consolidation of the retail sector in Indonesia; oversupply of retail space in certain regions in Indonesia; increase in consumerism through catalogues and the internet; change in the tenants' mode of sales from occupying retail spaces to e-commerce; changes in tax regulations; and changes in government regulations.

2. Losing Anchor Tenants

The Company relies on the pulling power of its anchor tenants to help it sell and lease spaces in its malls. Stated simply, if an anchor tenant is lost, a decline in leases or sales will be experienced.

**Risks Related to the Hotel Industry**

There are a number of factors affecting the hotel industry that are beyond the Company's control. These factors though unrelated to the Company's hotel management may nonetheless create negative perceptions towards the Company's hotels. These factors are:

- Terrorism
- The spread of contagious diseases
- Increase in air ticket prices, travel costs and other occurrences that may reduce the amount of tourists or business travelers

- Increase in competition by other hotels leading to reductions in occupancy and revenue levels
- Increase in costs due to inflation, salary adjustments and other incidentals
- Conditions outside of Indonesia that are not conducive to the country's tourism and business travel atmosphere as well as adverse economic conditions at a national or regional level.
- Changes in government regulations that may affect the permits needed to operate the Company's hotels and
- Negative effects of a hotel industry crisis.

**Financial Risk**

The main financial risks faced by the Company are credit, foreign exchange rate, interest rate, liquidity and price risks. Focus on managing these risks has been considerably increased because of the considerable changes and volatility of the Indonesian as well as the international markets.

1. Credit Risk

The Company runs a risk of incurring losses when customers, clients or counter parties fail to fulfill their contractual obligations. The Company manages this particular risk by limiting the amount of exposure for each customer and by dealing only with banks and financial institutions that are reputable and creditworthy.

2. Foreign Exchange Rate Fluctuation Risk

Rupiah exchange rate fluctuations are something that the Company is constantly exposed to and the resulting profit or loss from

these discrepancies will reflect in the Company's net profit. This is evident in the preparation of the Company's consolidated financial statements, where the financial statements of Lippo Karawaci's offshore subsidiaries must first be converted to Rupiah. The inevitable fluctuation in exchange rates may result in a negative implication of the Company's financial condition and operational output. Management of this risk is being done through several derivative agreements with third parties.

### 3. Interest Rate Risk

Interest rate changes pose a risk to the Company because of its loans that have floating interest rates. This risk is managed through a combination of loans with fixed and floating interest rates as well as through constant monitoring of interest rate movements in order to minimize negative effects to the Company. As of 31 December 2013, 100% of the Company's loans have fixed interest rates.

### 4. Liquidity Risk

The cash flow position of the Company determines its liquidity. Therefore, liquidity risk is the insufficiency of short-term revenue to cover short-term expenditure. To combat this, the Company always maintains an adequate cash and cash equivalents to cover the Company's normal operations. It also evaluates regularly the projected and actual cash flow and maturity dates of financial assets and liabilities.

### 5. Price Risk

The Company's exposure to price risks is due to their investments in AFS classified financial assets. This risk stems from the fluctuation in the value of financial instruments from changing market prices. To manage this risk, the Company and its subsidiaries continuously monitor global market developments and regularly evaluate the financial performance and market price of their investments.

## Other Risks

### 1. Unavailability of Funding

In order to cover the capital needed for business operations as well as for expansion, the Company requires external funding. The Company's ability to procure funds from outside sources is influenced by economic conditions, capital markets, interest rates, availability of funds from banks or other creditors, Bank Indonesia's policies in terms of distribution of credit to the property sector and other factors.

### 2. Dependency on the Regional Governments in Renewing the Company's Agreements

In some cases, the continuity of the Company's agreements is dependent on renewals issued by regional governments. For example, The Aryaduta Hotel Pekanbaru is operated by the Company under a BOT (build, operate and transfer) agreement in accordance with the Cooperation Agreement No. 55 dated 17 September 1993 between

the Company and the Regional Government. The BOT agreement gives the Company rights to build and operate the hotel, but not to own the land. The BOT agreement's term is 25 years, with an option for a 10-year renewal but there is no guarantee that the Regional Government will approve the renewal of the agreement.

### 3. Additional Expenses Relating to Environmental Problems

Environmental laws and policies must be followed by all and Lippo Karawaci is no exception. The Company is required to monitor and dispose of its toxic wastes properly all the while bearing the cost of this endeavor which is quite significant. Non-compliance with this directive may lead to hefty fines, litigation and other sanctions.

The Company prepared various strategic measures to reduce the impact of the risks of performance as well as sustainability of the Company. Among the strategies are the asset light and capital-recycling strategies, the landbank for the next 10 year development period, a relatively large funding requirement, recurring business development in order to balance the fluctuating property market and the strategy to benefit from hedging to reduce the exchange rate fluctuations.

# Audit Committee REPORT

Lippo Karawaci, March 2014

The Board of Commissioners  
PT Lippo Karawaci Tbk  
22nd fl Menara Matahari  
7 Boulevard Palem Raya  
Lippo Village Central  
Tangerang 15811

Dear Commissioners,

## Re: 2013 Audit Committee Report

In compliance with the requirement stipulated in the Decree of the Chairman of the Capital Market Supervisory Board No. KEP-29/PM/2004 regarding the Establishment and Operational Guidance of the Audit Committee and the Decision of the Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07/2004 regarding the Listing of Stocks and Equities Other than Stocks issued by Listed Companies, we as the Audit Committee of PT Lippo Karawaci Tbk ('the Company') hereby render the Audit Committee Report of activities held during 2013.

The main activities conducted by the Audit Committee during 2013 are among others:

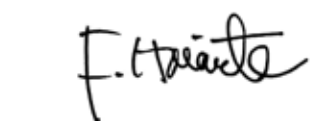
1. Reviewed the independency and objectivity of the Company's external auditor, Public Accountant Firm Aryanto Amir Jusuf Mawar & Saptoto, in performing the audit of the Consolidated Financial Report of the Company and its subsidiaries for the period ending 31 December 2013. The external auditor who was appointed by the Board of Commissioner of the Company under the authority granted to them during the Annual General Shareholder Meeting held in April 24, 2013.
2. Reviewed the qualitative aspects and the integrity in the implementation of accounting, audit and reporting.
3. Reviewed the business and risk management process and its compliance to the prevailing law and regulation.
4. Discussed with the Internal Auditor relating to its work plans and focused objectives and internal control system in 2013.
5. Discussed with the Company's management relating to:
  - quarterly financial statement
  - business strategy and work plan as well as budget of 2013
  - internal control system
  - compliance with the law and regulation
  - risk management process
6. Discussed with the External Auditor relating to findings and result of audit
7. Reported the result of the audit committee's meeting to the Board of Commissioner.

To fulfill the obligation to disclose the report of the Audit Committee's review in the Company's 2013 Annual Report, we hereby state that to the best of our knowledge, the Company's Financial Statements were prepared in accordance with the generally accepted accounting principles in Indonesia.

The Audit Committee duly submits this report.

Yours sincerely,

Audit Committee of PT Lippo Karawaci Tbk,



**Farid Harianto**  
Chairman



**Herbudianto**  
Member



**Indra Simarta**  
Member

**Farid Harianto**

Chairman

Mr. Farid Harianto, age 61, is currently serving as a Special Staff to the Vice President of the Republic of Indonesia, and is an advisor to the Governor of Bank Indonesia. He is a member of the Asian Executive Advisory Board of the Wharton School, University of Pennsylvania, and is a member of The President's Advancement Advisory Council of the National University of Singapore. He sits as a member of various corporate boards including PT Pos Indonesia, PT BATA Indonesia, PT Unggul Indah Cahaya Tbk and PT Lippo Karawaci Tbk, and serves as a member of the risk oversight committee of Bank International Indonesia Tbk, and as a contributing editor to Globe Asia magazine.

Over the past thirty years, Mr. Harianto's professional career has encompassed the academics, the public as well as private sectors. He served as an advisor for many leading companies in Indonesia, and for various international organizations including FIAS/ the World Bank, ADB, CIDA, and IDRC. He was the CEO of the Credit Rating Company Indonesia (1995-1998) and was then appointed as the Deputy Chairman of the Indonesian Bank Restructuring Agency (IBRA; 1998-2000). During his tenure at IBRA, he spearheaded the consolidation (closing, merging and recapitalization) of the banking sector and the negotiation and settlement with banks' controlling shareholders resulting in billions of dollars of Assets being transferred to IBRA. He earned his Masters and PhD (with distinction) from the University of Pennsylvania-the Wharton School in applied economics and managerial science.

**Indra Simarta**

Member

Mr. Indra Simarta, appointed as an Audit Committee Member at the Annual General Meeting of Shareholders, 24 April 2013, brought his worldwide experiences in the area of project development to the Company. Concurrently, he is also a Managing Director of Blue Antz Architects, Jakarta, which operates in office, outlet and hotel projects development in various parts of Jakarta. He formerly served as Director of PTI Architects (2004 – 2008) with projects in Jakarta and Bali, Director of Joshua International Architects, Sydney, Australia (1998–2004), Associate of PT Peddle Thorp Indonesia (1994–1998) with projects in Jakarta, Australia and Hongkong, Project Architect of PT Califa Pratama, Jakarta (1993-1994), Shimizu Lampiri Consultant, Jakarta (1992-1993), and Paul Jones and Associates Pty. Ltd., Perth (1989-1990). In addition to his Cert AD and Dip AD that were obtained from Leederville College of TAFE, Perth in 1986 and 1987, he also earned B App Sc from Curtin University of Technology, Perth in 1990 and B Arch from Curtin University of Technology, Perth in 1991.

**Herbudianto**

Member

Mr. Herbudianto has been serving as a Member of the Audit Committee of the Company since April 2013. Currently he also has been serving as Associate Partner at PT. Eagle Capital since January 2013, independent Commissioner of PT. Means Meditama Metropolitan, Tbk since October 2012, members of the Audit Committee of PT. Bekasi Fajar Industrial Estate, Tbk since October 2012, and member of the Audit Committee of PT. Supra Boga Lestari Tbk since November 2012.

Previously Mr. Herbudianto was a career officer in the the Capital Market Supervisory Agency and Financial Institution, Ministry of Finance of the Republic of Indonesia. His last position was Head of Corporate Assessment for Non-Financial Services Company, the Bureau of Corporate Financial Assessment in Services Sector.

Mr. Herbudianto has a degree in Economics majoring in Accounting from Gadjah Mada University, Yogyakarta.





## Remuneration Committee

# REPORT

Lippo Karawaci, March 2014

The Board of Commissioners  
PT Lippo Karawaci Tbk  
22nd fl Menara Matahari  
7 Boulevard Palem Raya  
Lippo Village Central  
Tangerang 15811

Dear Commissioners,

### Re: Remuneration Committee Report

The establishment of the Remuneration Committee is part of the implementation of the Good Corporate Governance in providing a competitive remuneration package. The Remuneration Committee was established to assist the Board of Commissioners in performing its duties to determine the remuneration system and its implementation for the members of the Board of Commissioners and Directors

Composition of the Remuneration Committee of PT Lippo Karawaci Tbk. ('Committee') is as follows:

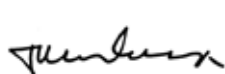
Chairman : Theo L. Sambuaga  
Member : Farid Harianto  
Member : Jonathan L. Parapak  
Member : Viven G. Sitiabudi

Responsibilities and duties of the Committee are as follows:

1. To conduct a formal meeting at least once a year.
2. To ensure an adequate remuneration system and to determine the remuneration for the Board of Commissioners and Directors of PT Lippo Karawaci Tbk, including the reward and fringe benefits, if applicable, for the members of the Board of Commissioners as well as the salary, bonus and parting package (in case of retirement or resignation) for the Board of Directors.
3. Resolutions are made by 3 votes out of 4, in a Committee meeting or by a circular letter. In the absence of a Committee member, the Chairman of the Committee (or two other Committee members if the Chairman is absent) shall ask the President Director, or another Director appointed by the President Director, to fill-in on the vacant position temporarily until the respective Committee member can resume his function, or until a new Committee member has been appointed by the Board of Commissioners.

The Remuneration Committee prepared the remuneration budget for the Board of Commissioners and Directors based on the Company's performance and contribution of members, which reflect the performance of the Board of Commissioners and Directors.

The Remuneration Committee held a meeting on 1 Februari 2013 to determine the budget allocation for reward and fringe benefits for the Board of Commissioners as well as the salaries and other benefits for the Board of Directors. The gross remuneration for the Board of Commissioners and Director of the Company in 2013 amounted to Rp46.813.837.437,- (Forty-six billion, eight hundred and thirteen million, eight hundred and thirty-seven thousand, four hundred and thirty-seven) Rupiahs.



**Theo L. Sambuaga**  
Chairman



**Farid Harianto**  
Member



**Jonathan L. Parapak**  
Member



**Viven G. Sitiabudi**  
Member

**Theo L. Sambuaga**

Chairman

Mr. Theo L. Sambuaga, age 64, has served as Indonesia's Minister of National Housing and Minister of Labor where he gained abundant insight and experience which is beneficial for the real estate development projects of the company. He provides differing points of view that add to the success of the Company's planned projects. As a former member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia.

Mr. Sambuaga is currently the President of Lippo Group, President of Berita Satu Media Holding and Commissioner of PT First Media Tbk. and PT Multipolar Tbk. Mr. Sambuaga obtained his undergraduate degree in Social and Political Studies from well renowned Universitas Indonesia, and has received a graduate degree from the School of Advanced International Studies at Johns Hopkins University, USA.

**Farid Harianto**

Member

Mr. Farid Harianto, age 61, is currently serving as a Special Staff to the Vice President of the Republic of Indonesia, and is an advisor to the Governor of Bank Indonesia. He is a member of the Asian Executive Advisory Board of the Wharton School, University of Pennsylvania, and is a member of The President's Advancement Advisory Council of the National University of Singapore. He sits as a member of various corporate boards including PT Pos Indonesia, PT BATA Indonesia, PT Unggul Indah Cahaya Tbk and PT Lippo Karawaci Tbk, and serves as a member of the risk oversight committee of Bank International Indonesia Tbk, and as a contributing editor to Globe Asia magazine.

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**Jonathan L. Parapak**

Member

Mr. Jonathan L. Parapak, age 71, has broad and extensive experience in large private and state-owned enterprises. His former positions include, among others, President Director of PT Indosat, Secretary-General of the Department of Tourism, Post and Telecommunication, and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also a Commissioner of PT AsiaNet and PT Broadband Multimedia, as well as being a Commissioner of several companies within the Lippo Group, including PT Multipolar Tbk and PT Matahari Putra Prima Tbk.

Mr. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from the University of Tasmania, Australia.

**Viven G. Sitiabudi**

Member

Mrs. Viven G. Sitiabudi, age 58, has had an outstanding career in many companies. Her experience in general management, corporate planning and marketing brought success to Lippo Karawaci. She is now the Executive Director and CEO of Lippo Malls Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, the company successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia.

Mrs. Sitiabudi graduated from the University of New South Wales, Australia with a degree in Computer Science and Statistics.



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## Internal Audit

# REPORT

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Lippo Karawaci, March 2014

Dear,

Mr. Ketut Budi Wijaya  
The President Director  
PT Lippo Karawaci Tbk  
22nd fl Menara Matahari  
7 Boulevard Palem Raya  
Lippo Village Central  
Tangerang 15811

Dear Sir,

We have been carrying out examination on the business activities / operations of PT Lippo Karawaci Tbk for the year ended December 31, 2013. The examination was conducted based on the current and appropriate level of Operational Risk Enterprise Risk Mapping (Risk Mapping Company).

The examination results were apparently on: (1) weakness and violation of SOP, which is found in almost all business activities, especially in the process of monitoring and supervision in areas such as Safe Guarding / Guard Company and the settlement process and the provision of payment (cash advance) (2) disobedience / disorder of administration of the regulations permitting process which is caused there are findings of any licensing permits that have expired and not been renewed (3) Maintenance process have not been consistently done, therefore we found any Assets that are not maintained / damaged and (4) a mismatch in other operational which can cause any harm in the future if there is no involvement from management immediately.

Total findings throughout 2013 are 1266 findings, in 81 Audit Reports on 41 business units; consists of 30 statements to Siloam Hospitals business unit, 20 reports to the business unit of Lippo Homes, 16 reports to the business unit of Hospitality, 15 reports to the business units of Infra & Leisure and 15 reports to the business unit of Lippo Malls. 43% of them (533 out of a total of 1266 findings findings) categorized " high and moderate risk, " and most of them have got the respond and further action from related business unit management.

Thus, we submit the 2013 Annual Internal Audit Report.

Sincerely,



**Arthur Felix Kalesaran**  
Chief of Internal Audit

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**Arthur Felix Kalesaran**

Chief of Internal Audit

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Mr. Arthur Felix Kalesaran has been serving as Chief of Internal Audit of PT Lippo Karawaci since April 2012.

Mr. Kalesaran had a professional career in IT, Accounting, and Auditing in several companies before joining as VP of Security Guard in PT Artha Prima Sarana, a subsidiary of PT Lippo Karawaci Tbk in 1999. In 2000 he served as Director of PT Lippo Karawaci Tbk until 2003. After that Mr. Kalesaran successively held various key positions in the Company and its subsidiaries.

Mr. Kalesaran has a degree in Accounting from the Faculty of Economics, Padjadjaran University, Bandung. He also attended a specialized training for Internal Audit Head at Pusat Pengembangan Akuntansi dan Keuangan (PPAK) in 2013 and graduated with Internal Audit Professional title.





# CORPORATE SOCIAL RESPONSIBILITY

Lippo Karawaci undertakes CSR activities with focus on three main pillars: education, public health, and environmental awareness.

**L**ippo Karawaci is founded on a vision of impacting lives, particularly through environmentally friendly, high quality and sustainable business activities. This corporate focus is aligned with the definition of Corporate Social Responsibilities (CSR) as stipulated in Articles 1 paragraph 3 of Limited Liability Company Law No 40 of 2007, that is a commitment by a company to actively participate in sustainable economic development efforts with the objective of improving the quality of life and the environment, for the collective benefit of the company, local community, and society at large.

Since incorporated, the Company has conducted CSR activities that are organized by the Company directly or through subsidiary companies, as well as in collaboration with other companies

On the basis of the corporate vision, the Company has, since first incorporated, conducted CSR activities that are organized by the Company directly or through subsidiary companies, as well as in collaboration with other companies operating under a similar vision; hence, uniting resources of individual companies in order to optimize activities that are collectively undertaken.

Lippo Karawaci undertakes CSR activities with focus on three main pillars, which are education, public health, and environmental awareness, with balanced sensitivity to crisis situations arising throughout the country, particularly natural disasters occurring nation-wide. These pillars are interrelated to serve the objective of improving the quality of life and prosperity of the nation in general.



### Financial Assistance for Outstanding Students

Education is a key success factor to secure a more promising future for the young generation; unfortunately, not all individuals have equal access and opportunity for good education in the school of their dreams.

Since 2011, Lippo Karawaci, in cooperation with several other companies operating under a similar vision, regularly provides financial assistance for outstanding students in public universities across the nation (under the BMB program). For the year 2013, BMB was distributed with a total value of Rp1.5 billion to 10 students of public universities, as follows:

1. Universitas Malikussaleh (UNIMAL), Lhokseumawe.
2. Universitas Riau (UNRI), Pekanbaru
3. Universitas Negeri Padang (UNP), Padang.
4. Universitas Brawijaya ((UNIBRAW), Malang.
5. Universitas Mulawarman (UNMUL), Samarinda.
6. Universitas Negeri Manado (UNIMA), Tondano.
7. Universitas Tadulako (UNTAD), Palu.
8. Universitas Khairun (UNKHAIR), Ternate.
9. Universitas Negeri Papua (UNIPA), Manokwari.
10. Universitas Mussamus (UNMUS), Merauke.

Financial assistance in education is testimony of commitment of the Company and other companies with similar vision to the development of human resources in Indonesia. The Company is confident that reliable human resources in Indonesia will provide a significant contribution to the improvement of the quality of life and prosperity of the nation at large.

### Bettering the Quality of Public Health

The Company contributes in bettering health care services by operations of Hospitals with international standards in many areas throughout Indonesia and by massive investment in the most sophisticated medical equipment.

On 31 December 2013, PT Siloam Hospitals International Tbk, a subsidiary of the Company, operated 16 hospitals, with total capacity of over 3,700 beds, more than 1,500 doctors (including more than 1,200 specialists), and employs more than 2,700 nurses and health professionals.

The hospitals, in addition to being revenue-generating sources for the Company, are also facilities serving to ensure that the local communities have convenient access to and receive good quality and affordable primary and secondary health care services.

Furthermore, the Company, through Siloam Hospitals, conducts social activities on a regular basis to expand access to good quality health and medical facilities for the people of Indonesia regardless of their economic background by actively engaging in medical social work in collaboration with government and social agencies operating in areas where the Company's Hospitals are located.

During 2013, Siloam Hospitals were involved in free health and medical activities for the residents of Kampung Melayu that were affected by floods. In cooperation with the Police force of the city of Tangerang, Siloam organized free medical services and the distribution of basic foodstuffs to the residents of several districts in Tigaraksa - Tangerang.

By utilizing resources managed by Siloam Hospitals Group, the Company implements emergency response services and provides relief directly in disaster-affected areas. In 2013, the Company also participated in assisting victims of Mount Sinabung eruption in North Sumatra by dispatching a team of medical professionals, distributing medicine and drugs, and also providing donations of food, blankets, and various sanitary necessities.

### A Medium to Attain a Better Quality of Life

Lippo Karawaci promotes environmental sustainability by integrating an eco-friendly concept in areas developed by the Company, as well as aligning green space and the best amenities. In Lippo Village for example, about 21% of the total land area is allocated to green space and more than 56,850 trees were planted related to anticipating the impacts of climate change and curbing rising temperature and air pollution. The Company also initiates tree-planting activities with the community on a regular basis.

Lippo Karawaci also constructed a Water Treatment Plant and Sewage Treatment Plant for purposes of water and sewage recycling respectively. The WTP facility is used to recycle water into drinking water, while the STP facility is used to recycle water for irrigation and landscape needs.

Flood prevention measures are incorporated in the blueprint for development of the Company's independent cities projects. In Lippo Village for example, the strategic location of the golf course allows rainwater to be naturally absorbed into the groundwater



system. In Kemang Village, the Company built a wet detention basin capable of holding a total of 90,000 cubic meters of rainwater.

Township development activities also open work opportunities for the surrounding communities. The Company's main townships provide

employment for more than 45,000 workers, whereas the light industrial independent city of Cikarang offers jobs to more than 320,000 workers. The Company's commercial business also absorbs the workforce through operations of 31 malls and 8 Hotels throughout Indonesia.

New employment opportunities provide benefits for the community and workers to attain a better quality of life as well as alleviating the government's obligation of creating jobs for the people of Indonesia.

## DANAU DI BAWAH MAL

**M**ASUK ke kawasan Kemang Village dari Jalan Pangeran Antasari, Jakarta Selatan, kita akan melintasi jalan berkelok-kelok dengan pepohonan rapat menyembul di kanan kirinya. Jalan itu sengaja dibuat lebih tinggi dari permukaan tanah, melayang bagaikan jembatan panjang, karena kontur tanah di Kemang Village lebih rendah daripada Jalan Pangeran Antasari. Di bawah jalan itu ada danau yang tersembunyi.

Kamis pekan lalu, bersama Head of Corporate Communication PT Lippo Karawaci Tbk Danang Kemayan Jati, Tempo memuruni sebuah jalan setapak yang berada tepat di depan lobi utama. Jalan setapak yang tersembunyi di balik pepohonan ini membawa kami ke danau buatan di bawah jalan utama. Sepanjang jalan setapak yang merupakan area jogging itu kita juga bisa menjumpai Kali Krukut yang berkelok-kelok.

Danau buatan yang bertugas menampung air hujan ini bentuknya sebenarnya tak mirip danau. Ia lebih mirip lantai parkir bawah tanah yang kosong. Sebuah ruangan memanjang, dengan kolom-kolom beton menyangga jalan di atasnya. Antara jogging track dan danau tak ada dinding penutupnya. Jadi air hujan yang mengguyur kawasan Cipete dan Kemang pada siang hari itu langsung masuk ke dalamnya. Tapi tak hanya dari bukaan ini saja air hujan bisa tertampung. Pipa pembuangan air hujan dari gedung di atasnya juga tersambung ke kolam ini.

Pertanyaannya, apakah kolam ini cukup menampung air hujan dari Cipete, Kemang, hingga bangunan di atasnya? Darang mengangguk. "Luasnya sekitar delapan kali lapangan sepak bola," katanya.

Area resapan air ini dibuat atas rekomendasi konsultan asal Belanda, Royal Haskoning. Posisinya yang berada seperti di tengah mangkuk membuat mereka mau tak mau harus mendesain sebuah sistem drainase yang bagus supaya tidak kebanjiran.

Beruh 10 kali pertemuan dengan Tim Penasehat Arsitektur Kota (TPAK) DKI Jakarta sebelum rancangan tersebut disetujui. Tim ini memiliki tugas memberi pertimbangan teknis kepada gubernur tentang rencana pembangunan berskala besar ketika pengembang mengajukan izin mendirikan bangunan. "Minimal 10 minggu kami berdiskusi soal itu," kata Ketua TPAK Profesor Gunawan Tjahjono. Bisa dibayangkan diskusi yang panjang untuk sebuah serapan air. Banyak pertanyaan dari anggota tim, yang mayoritas berprofesi di bidang arsitektur, soal kemampuan kolam ini.

Sebelum mendesain danau, tim desain Lippo menghitung dulu kemampuan tanah menyerap air hujan di Kemang Village. Di area seluas 8,8 hektare, tanah mampu menyerap 76 ribu meter kubik air. Fungsi ini yang dikonversi menjadi danau—dalam bahasa teknisnya kolam retensi—berkapasitas 100 ribu meter kubik.

Ketika hujan turun, kolam akan menampung air dan membiarkannya meresap dalam tanah. Air yang tak terserap tanah akan masuk ke area tempat pengolahan air bersih sebelum disalurkan ke penghuni. Jika terjadi kondisi darurat, air di kolam juga bisa memenuhi kebutuhan 17-25 ribu penghuni selama 60 hari.



Water management dan danau buatan (atas) di Mal Kemang Village, Jakarta, Kamis pekan lalu.

Kalau hujan terlalu deras dan kolam tak mampu menampungnya, pintu air akan terbuka untuk menyalurkan ke Kali Krukut. Tapi, sejak kolam beroperasi pada 2011, hujan tak pernah berhasil membuat danau buatan ini meluap. "Dasar kolam retensi ini lebih rendah 4,5 meter di bawah dasar Kali Krukut dan tanggunya lebih tinggi satu meter dari permukaan kali," ucap Danang.

Efek dari pembuatan danau buatan ini tidak hanya membuat Kemang Village terhindar dari banjir, tapi juga menjaga kawasan di sekitarnya tetap "kering". Selama danau beroperasi, tak ada banjir di Jalan Taman Kemang, Kemang I, dan sekitarnya. "Dulu banjir di sana bisa lebih dari satu meter," kata Danang.

● LIPPO TEBING



# CORPORATE

—• *Data* •—







Profile of the

# BOARD OF COMMISSIONERS

1

## Theo L. Sambuaga

President Commissioner

Mr. Theo L. Sambuaga, age 64, has served as Indonesia's Minister of National Housing and Minister of Labor where he gained abundant insight and experience beneficial for the real estate development projects of the Company. He provides differing points of view that add to the success of the Company's planned projects. As a former member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia.

Mr. Sambuaga is currently the President of Lippo Group, President of Berita Satu Media Holding and Commissioner of PT First Media Tbk. and PT Multipolar Tbk. Mr. Sambuaga obtained his undergraduate degree in Social and Political Studies from well renowned Universitas Indonesia, and has received a graduate degree from the School of Advanced International Studies at Johns Hopkins University, USA.

2

## Surjadi Soedirdja

Vice President Commissioner and Independent Commissioner

Mr. Surjadi Soedirdja, age 75, in his extensive work experience has acquired a broad knowledge of urban development. He serves concurrently as a Senior Advisor to PT Krakatau Steel. Formerly, he has served as both the Coordinating Minister for Political, Social and Security Affairs and as Minister of Home Affairs, as well as the Governor of Jakarta. Prior to his political career, Mr. Soedirdja had a very distinguished career in the Indonesian Armed Forces, retiring with the rank of General.



## 3

**Agum Gumelar**

Independent Commissioner

Mr. Agum Gumelar, age 68, is a respected Armed Forces General, with over 30 years of experience in managing large scale organizations and complex operations. He has a sound reputation in developing and implementing national policies in the infrastructure, transportation and national security sectors. Mr. Gumelar has served as both the Minister of Transportation & Telecommunications and as Coordinating Minister for Political Affairs, Social and Security. In addition to his military education, Mr. Gumelar also holds a Master of Science degree in Management from American World University, USA.

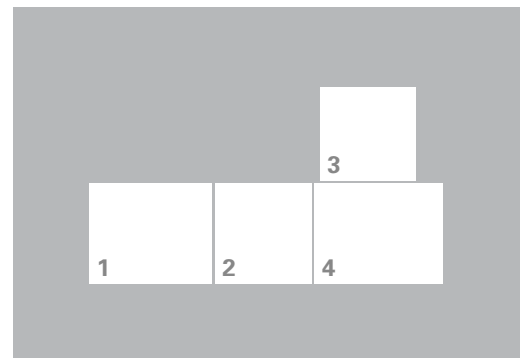


## 4

**Tanri Abeng**

Independent Commissioner

Mr. Tanri Abeng, age 72, brings his vast experience in the government sector, large multinational corporations and excellent corporate governance to Lippo Karawaci. His former positions, among others, include the Commissioner of the Jakarta Stock Exchange, Minister of State-Owned Enterprises and member of the People's Consultative Assembly. In addition, he was the Chairman of PT Multi Bintang Indonesia, PT British American Tobacco Indonesia and President Commissioner of PT Telkom Indonesia Tbk, Chairman of the Executive Center for Global Leadership, Co-chairman of the Indonesia-Malaysia Business Council, and member of the Non-Aligned Movement Business Council. Mr. Abeng earned his MBA degree from the State University of New York, and completed the Advanced Management Program at Claremont Graduate School, Los Angeles, USA.





Profile of the

# BOARD OF COMMISSIONERS

5

## Farid Harianto

Independent Commissioner

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6

## Prof. Dr. Muladi, SH

Independent Commissioner

Prof. Muladi, served as Minister of Justice as well as Secretary of the State and concurrently also a Minister of the State Secretariat during the Development Reform Cabinet. Before serving as minister, he was a Rector of Diponegoro University (Undip). Since 1999 until now, he has been serving as the Chairman of the Institute for Democracy and Human Rights at The Habibie Center, Jakarta. Prof. Muladi was appointed as the Head of the National Defense Institute (Lemhanas) on August 30, 2005. He graduated from the Faculty of Law, Diponegoro University in 1968 and earned his doctoral degree in Legal Studies with cum laude from the Graduate Program in the Faculty of Law, University of Padjadjaran, Bandung, in 1984.



7

**Jonathan L. Parapak**

Independent Commissioner

Mr. Jonathan L. Parapak, age 71, has broad and extensive experience in large private and state-owned enterprises. His former positions include, among others, President Director of PT Indosat, Secretary-General of the Department of Tourism, Post and Telecommunication, and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also a Commissioner of PT AsiaNet and PT Broadband Multimedia, as well as being a Commissioner of several companies within the Lippo Group, including PT Multipolar Tbk and PT Matahari Putra Prima Tbk.

Mr. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from the University of Tasmania, Australia.

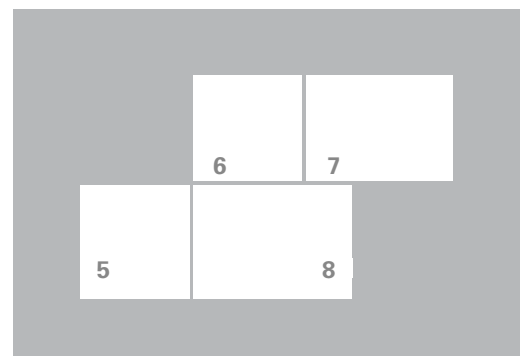
8

**Viven G. Sitiabudi**

Commissioner

Mrs. Viven G. Sitiabudi, age 58, has had an outstanding career in many companies. Her experience in general management, corporate planning and marketing brought success to Lippo Karawaci. She is now the Executive Director of Lippo Malls Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, the company successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia.

Mrs. Sitiabudi graduated from the University of New South Wales, Australia with a degree in Computer Science and Statistics.



Profile of the

# BOARD OF DIRECTORS

1

**Ketut Budi Wijaya**  
President Director

Mr. Ketut Budi Wijaya, age 58, brings his in-depth expertise in accounting and corporate finance to Lippo Karawaci. Prior to joining the Company, Mr. Wijaya held various executive positions within the Lippo Group, including PT Matahari Putra Prima Tbk, PT Multipolar Tbk, and PT Bank Lippo Tbk. He had also worked for PT Bridgestone Tire Indonesia and Darmawan & Co. Public Accountants.

2

**Tjokro Libianto**  
Director

Mr. Tjokro Libianto, age 54, is very knowledgeable in land development regulations and requirements for its successful developments. He has been instrumental in successfully negotiating a large part of the Lippo Group's land acquisitions in the past and will continue to perform this function in the future. He was formerly the Administrative and Finance Manager of PT Dwi Satya Utama in Surabaya, as well as PT Tifa Finance and PT Tifa Securities. Mr. Libianto graduated from Universitas Brawijaya, Malang, with a degree in Accounting.

3

**Djoko Harjono**  
Director

Mr. Djoko Harjono, age 55, started his career as an Engineer in several reputable construction companies in United States (1983 – 1994). Prior to joining the Company in 2005 as Project Director, he held several key positions within the Lippo Group from 1994 until 2002, and was appointed as Director of PT. Matahari Putra Prima Tbk for Property and Business Development from 2002 until 2005. Mr. Harjono earned his Bachelor of Science, Master of Business Administration and Master of Science in Civil Engineering from San Jose State University, California, USA.



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1	5	6	



4

**Roberto Feliciano**

Director

Mr. Roberto Feliciano, age 59, commenced his career as a Trainee in OESCO International in Manila – Philippines, and later as a Project Assistant at M Krugger Ltd. in Copenhagen – Denmark. He was assigned to various senior management positions in the International Division of Manufacturers Hanover Trust Bank, NY in New York for 11 years. Later, he joined Lippo Group and held various senior position including Director of PT Lippo Pacific Finance, Commissioner of PT Lippo General Insurance, Director of PT Lippo E-Net, and Director of PT First Media. He obtained his Bachelor of Science in Business Administration from Ateneo De Manila University in Manila, Philippine, and MBA from Babson College in Wellesley – Massachusetts, USA.



5

**Rahmawaty**

Director

Indonesian citizen, born in 1964. Graduated from the Faculty of Economics, Trisakti University in 1988 and started her career as an auditor at Prasetyo, Utomo & Co. in 1987 to 1996. Appointed as Deputy President Director of Lippo Bank on January 24, 2002, having previously served as Director since 1999. Mrs. Rahmawaty served as Director of PT Lippo Land Development Tbk From 1996 to 1999, and served as Commissioner of PT Lippo Cikarang Tbk and Director of PT Lippo Karawaci Tbk. from 1997 to 1999.



6

**Jenny Kuistono**

Non-Affiliated Director

Mrs. Jenny Kuistono, age 51, has an extensive knowledge in regulations and compliance required by the Company as a public company. Prior to her appointment as the Corporate Secretary of Lippo Karawaci in 2004, she was the President Director and Commissioner of PT Sharestar Indonesia, General Manager PT Jasa Century Permai Nusantara (JCPenny) and Director of PT Multipolar Tbk until July 2004. Mrs. Kuistono was also the Director of PT Multifiling Mitra Indonesia Tbk. Mrs. Kuistono graduated from Universitas Trisakti, Jakarta with Bachelor's degree in Electrical Engineering.





## CORPORATE

Profile of

# SENIOR EXECUTIVES

1

## Stephen Choo Kooi Yoon

Mr. Stephen Choo Kooi Yoon, age 64, is Lippo Karawaci's Executive Director for Group Strategy and Development. He is a Chartered Professional Engineer registered in the Engineering Council, UK, Malaysia and Singapore in Civil, Structural and Geotechnical engineering. He spearheads the institutionalization (by strengthening of the organizational structure, putting in systems & technology and building capacity through right staffing) and the commercialization of the groups operations through value engineering, as well as providing the leadership & management, of Lippo Karawaci's development strategy including the planning & execution of projects.

Mr. Choo's 40 years of experience in Engineering, Procurement and Construction covers a vast range of fields – industrial, commercial, Residential property & townships and land infrastructural development, coastal & reclamation projects, ports and marine installations, oil & gas and chemical plants, worked in planning & development of industrial estates & airports for governments, experienced in turnkey contracting in water treatment, power stations and oil & gas pipelines in Singapore, Malaysia, India, Pakistan, Saudi Arabia, Vietnam, Thailand, Phillipines and China. He brought a solid leadership proven track record that will enable him to positively contribute to Lippo Karawaci's expansion path and strategic focus to deliver more and sustainable profits.

2

## Norita Alex

Mrs Norita Alex has 28 years of working experience as a professional in the business sector. She started her career as a Credit Administration Bank of Trade - Los Angeles in 1986. In 1988, she moved to LippoBank and continued her career there for 17 years, her last position was HR Group Head. Mrs. Alex then joined PT Lippo Karawaci Tbk as Director of Corporate HR in December 2005, Marketing Director for Lippo Village in May 2007, and Director of Talent Admin since August 2013. Mrs Norita Alex has a degree in Accounting from the Sydney Technical College.



3

**Mark Wong**

Mr. Mark Wong, age 66, is Executive Director of PT Lippo Karawaci Tbk, an experienced banker, stockbroker and venture capitalist. He has more than 30 years of financial markets experience in Indonesia. He came to Indonesia as Country Representative for the five largest Singapore Banks in the mid 1970's and was subsequently involved in the ADB study which resulted in the establishment of the Indonesian stock markets. He co-founded and managed two securities companies and participated in the establishment of the Indonesia Venture Capital Industry and helped create the AMVI (Asosiasi Modal Ventura Indonesia) and APVCA (Asia Pacific Venture Capital Alliance) in which he held founding board positions.

Prior to joining Lippo Karawaci in 2008, Mr. Wong was involved in a variety of merger and acquisition transactions and financial advisory roles. Besides being active in business, professional and community service organizations, he also held board positions in the International Business Chamber and the Singapore Chamber of Commerce, which he co-founded.

Mr. Wong is a business graduate from the University of Singapore and University of Pennsylvania, USA.

4

**Ninik Prajitno Nathan**

Prior to her appointment as the CFO of Lippo Homes, Mrs. Ninik Nathan, age 48, held various senior positions in the Company including Chief of Staff to the CEO and Chief of Marketing of Strata Malls. She was also the Associate Director of Consumer Banking of PT Lippo Bank Tbk and Director of PT Lippo Merchants Finance. She obtained her Bachelor of Arts from University of Washington, Seattle, USA.



## LIPPO HOMES

# Profile of SENIOR EXECUTIVES

1

**Gordon Benton, OBE**

Mr. Gordon Benton, age 81, has extensive experience in urban planning, city management, conceptual architectural and construction design, and project and municipal management. Mr. Benton has a distinguished career in several countries, including Scotland, Kenya, Iran, the Indian sub-continent and many Southeast Asian countries. He also had the distinction of being named an Officer of the Most Excellent Order of the British Empire by Queen Elizabeth II. Mr. Benton is a member of the Singapore, Malaysian and Royal Institute of British Architects. In addition to having won several awards and citations in architectural design competitions in Pakistan, Kuala Lumpur, Singapore and Indonesia, he has been an active member of the St. Andrew's Societies in Brunei, Singapore and Indonesia.

2

**Meow Chong Loh**

Mr. Meow Chong Loh, age 61, joined the Company as the President Director of Lippo Cikarang in 2007. He began his professional career as Senior Project Manager then as Executive Director at Pembinaan Desakota Sdn. Bhd. in Malaysia. In 1989, he moved to the USA and became a partner in UniCon Development and then President of Euston Development Corporation/ Monfric Construction Inc. Returning to Asia in 1995, he oversaw the construction of two large coal powered plants in China. As Senior Vice President of Ascendas – A JTC Company, he involved in the complete development of large industrial parks in Vietnam and The Philippines during the Asian financial crisis. As General Manager for Tan Chong Motor Holdings Berhad, he completed the construction of a Nissan Car Assembly plant in Malaysia. Mr. Loh obtained a Bachelor of Science degree in Civil Engineering from the National Taiwan University.

1



4

**Ivan S. Budiono**

Mr. Ivan Budiono, age 55, commenced his career at PT Bank Lippo Tbk, from 1987 to 2004 he was assigned to various senior positions as Regional Head, Branch Banking Group Head, Central Credit Group Head, and as a member of the Board of Directors for Commercial Banking. Prior to joining Lippo Karawaci, he was the President Director/CEO of PT Lippo General Insurance Tbk from 2005 – 2011. Mr. Budiono graduated from the Chemical Engineering Faculty of the University of Southern California - Los Angeles in 1983 and obtained his MBA degree in 1986 from the Loyola Marymount University - Los Angeles.

3

**Jopy Rusli**

Mr. Jopy Rusli, age 51, has used his architectural talent and experience to create and effectively market many of Lippo Karawaci's successful projects. A former Project Designer with Trittipio & Associates in San Diego, California, USA and Project Manager and Designer with the Pacific Architecture and Planning Group, San Diego, California. Mr. Rusli has also served as Director of PT Califa Pratama, a subsidiary of Gunung Sewu & Duta Anggada Realty. Mr. Rusli received a Bachelor's degree in Architecture from the University of Oregon, and MBA degree in Real Estate from the National University, San Diego, USA.





## SILOAM HOSPITALS

Profile of

# SENIOR EXECUTIVES

1

### dr. Gershu Chandy Paul

With 25 years experience in health service planning and strategy development, dr. Gershu, age 55, drives the Siloam Vision, leads the Group's expansion strategy and manages hospital operations. Dr. Gershu's background includes health service planning, organisation transformation and leading and managing all phases of a project life cycle, from needs assessment, through to implementation. Dr. Gershu's sound experience in health service strategy development, project management and clinical operations has facilitated his skill development in formulating and implementing solutions to complex operations in a multi-national environment. Dr. Gershu holds a Bachelor degree in Surgery and Medicine from the University of Bangalore, India and a Diploma of Sports Studies and an MBA from the University of Otago, NZ. He is also a fellow of the Royal Australasian College of Medical Administrators and attended the executive program at Harvard Medical School, USA.

2

### dr. Grace Frelita Indrajaja, MM

Dr. Grace Frelita Indrajaja, MM, age 57, has dedicated over 25 years to the healthcare services development in Indonesia. One of her notable achievements was introducing the Joint Commission International Accreditation along with colleagues, to the Siloam Hospitals Lippo Village in 2007 and again in 2010. dr. Grace's strong leadership and organisational skills have contributed to the development of the company from the ground up and her unwavering devotion to the community exemplifies her strong character and moral fibre. dr. Grace holds a Masters degree in

Management, majoring in Hospital Administration from the University of Esa Unggul. Her Medical degree was earned at Universitas Katolik of Atmajaya dr. Grace is on the committee for the Indonesian Doctors Association (Ikatan Dokter Indonesia), is the Chairman of International Accreditation Division with the Indonesian Hospitals Association (Persatuan Rumah Sakit Seluruh Indonesia), the Vice Chairman of Strategic Healthcare Committee with the Indonesian Chamber of Commerce (KADIN) and is on the National Patient Safety Committee.

1

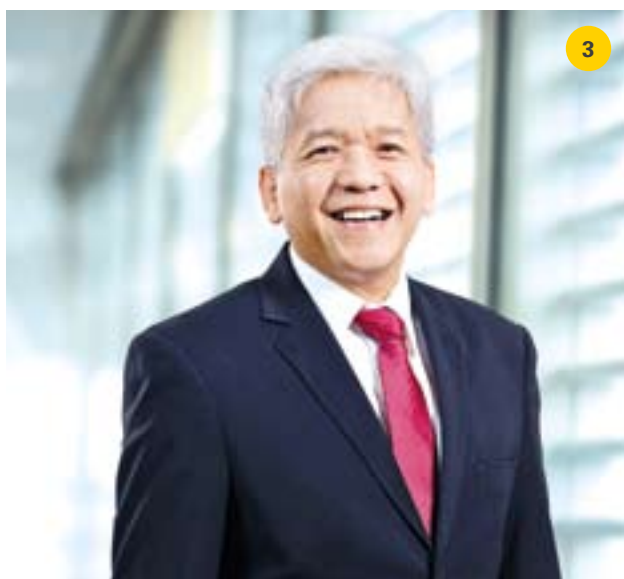


3

**dr. Anang Prayudi**

Dr. Anang Prayudi, 51 years old, has more than 25 years of experience in the health sector when he was in The Indonesian Army (TNI-AD) and the International SOS. Dr. Prayudi involved in Siloam Hospitals to drive the business strategy and development plans.

He holds a Bachelor of Medicine from Brawijaya University in Malang, East Java and a Master of Occupational Medicine from the University of Indonesia. He also is one of the reliable instructor of ITLS (International Trauma Life Support) for ISOS Indonesia, the MRO (Medical Review Officer) for Quest Diagnostic London and ACLS (Advanced Cardiac Life Support) operator. Dr. Prayudi currently is taking the Program in General and Emergency Medical Care (PGEMC), a Post Graduate Medical Institute (PGMI) program at Singapore General Hospital which is affiliated with the National University Singapore.



4

**Romeo F. Lledo**

As the Finance Director at Siloam Hospitals, Mr. Romeo Lledo, age 59, leads the Group's Accounting and Financial management and strategy, planning and forecast. After spending 11 years of his professional life as a Certified Public Accountant, Mr. Lledo has gone on to serve 24 years in Commerce and Industry Management. Having served in executive positions in various companies both in the Philippines and Indonesia, he brings a wealth of knowledge to the Siloam management team. Mr. Lledo's educational achievements include his Certification as a Certified Public Accountant in the Philippines, completion Management Programs at the Asian Institute of Management, and the Strategic Business Economics for Senior Executives which leads to Master's degree in Business Economics. Mr. Lledo's previous positions with The Salim Group and SGV & Co. (Ernst & Young International) has enabled his development of a vast range of experiences, among others, in manufacturing, agribusiness and plantation, broadcasting and multimedia, logging and mining, utilities and services.



## LIPPO MALLS

Profile of

# SENIOR EXECUTIVES

1

## Johannes Janny

Mr. Johannes Janny joined PT Matahari Putra Prima in 1989 and later served as President Director of Timezone and also as a real estate & Store Planning Director, Matahari Department Store. In 2013, he joined Lippo Malls and currently serves as President Director.

Mr. Johannes Janny holds Accounting degree from the University of North Sumatera, Medan.

2

## Marshall Martinus

Marshall Martinus served as Executive Director of Operations Lippo Malls since October 2013.

He began his professional career as Corporate Secretary at PT Indah Pesona Bogor (Ekalokasari Plaza – Bogor) in 2001 and later became Director of Operations in the same company in 2003. In 2005, Mr. Marshall Martinus was appointed as Mall Director, Ekalokasari Plaza Mall - Bogor.

In 2007 he worked at PT Lippo Malls Indonesia as Portfolio Analyst, 2010 became Lease Management Head, in 2011 served as Leasing Support & Service Head and in May 2013 became Deputy Director of Property Management, and finally appointed as Executive Director of Operations. Mr Marshall Martinus graduated from Bogor Institute of Agriculture, Faculty of Mathematics and Science Technology, Mathematic Computation Department.



## HOTELS & HOSPITALITY

3

### Tom Monahan

Mr. Thomas John Monahan, age 58, is a proven business leader in the International Hospitality Industry with 36 years experience in Asia Pacific, Europe and the USA.

Highly skilled in developing business strategies and team leadership, with significant involvement in new business development and finance. He spent 17 years with Inter-Continental Hotels and Resorts in New York, Honolulu, Jakarta and Hongkong, beginning his career as Assistant Chief Accountant, New York in 1977 and later he was posted in Hong Kong as Vice President Finance from 1990 - 1994.

From 1994 - 1996 Mr. Monahan was Finance Director in Granada/Forte PLC, London. He continued his career with Starwood Hotels & Resort from 1996 – 2008 in Singapore as Vice President -Financial Management, Asia Pacific; Senior Vice President- Finance, Acquisitions & Development, Asia Pacific; Senior Vice President – Acquisitions & Development, Asia Pacific.

Later, Mr. Monahan joined Wyndham Hotel Group in Hong Kong as Executive Vice President – International Development from 2008- 2011, responsible for the development of growth strategy and leading efforts in indentifying, qualifying, negotiating and executing transactions for management and franchise agreement in Asia Pacific. Mr. Monahan joined Carlson Rezidor Hotel Group as Executive Vice President – Development from 2012 – 2013. Since 2013 Mr. Monahan joined Lippo Group as Chief Executive Officer – Hospitality & Leisure Division.

Mr. Monahan obtained his Bachelor of Science in Accounting from University at Albani, Albany NY, USA and MBA from Pace University, New York, USA.



4

### Juergen Fischer

Mr. Juergen Fischer, age 56, has extensive knowledge in hotel and tourism via his experience in Europe, the Middle East, the Caribbean and Asia. He has been the Chief Operating Officer of Aryaduta Hotels since 2007. Prior to joining Aryaduta Hotels, he held several managerial positions at Swiss Belhotel International, Nakamanda Resort & Spa, Gloria International Hotels China, Aerowisata International Hotels and Legend Resort. He gained his working experience from well-known Hotels such as Patra (Bali), Royal Garden Marriot (Thailand) and Dorint Sport Hotel (Biesdorf, Germany).





## Projects

# BUSINESS UNIT ADDRESSES

## Urban Development



Lippo Village  
Marketing Gallery, Menara Matahari 1st Floor  
Jl. Boulevard Palem Raya No. 7  
Lippo Village Central  
Tangerang 15811, Banten, Indonesia  
Tel. 62 (21) 5420 3636  
Fax. 62 (21) 5420 3535



Tanjung Bunga  
Jl. Metro Tanjung Bunga Mall GTC  
GA-9 No. 1B  
Tanjung Bunga  
Makassar 90134  
South Sulawesi, Indonesia



**SAN DIEGO HILLS**  
— MEMORIAL PARK AND FUNERAL HOMES —

Plaza Semanggi  
Veteran Building 7th Floor  
Kawasan Bisnis Granada  
Jl. Jend. Sudirman Kav. 50  
Jakarta 12930, Indonesia  
Tel. 62 (21) 574 5501  
Fax. 62 (21) 574 5503



Royal Serpong Village  
Ruko WTC No. 5833, Jatiuwung  
Jl. Raya Serpong No. 39 Serpong  
Tangerang 15326  
Banten, Indonesia  
Tel. 62 (21) 537 6420  
Fax. 62 (21) 537 6435



Easton Commercial Centre  
Jl. Gn. Panderman Kav. 05  
Lippo Cikarang  
Bekasi 17550, Indonesia  
Tel. 62 (21) 897 2484, 897 2488  
Fax. 62 (21) 897 2039, 897 2493

## Large Scale Integrated Development



City of Tomorrow  
Jl. Jend. Achmad Yani No.1  
Surabaya  
East Java, Indonesia  
Tel. 62 (31) 827 3888  
Fax. 62 (31) 827 3666



The Nine Residence  
Kemang Village,  
Jl. Pangeran Antasari No. 36  
Jakarta 12150 Indonesia  
Tel. 62 (21) 725 5999



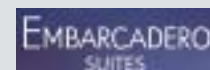
Kemang Village  
Jl. Pangeran Antasari No. 36  
Jakarta 12150  
Indonesia  
Tel. 62 (21) 725 5999  
Fax. 62 (21) 726 6999



The St. Moritz Penthouses & Residences  
Jl. Boulevard Puri Indah Raya Bl. U1  
Puri Indah CBD  
West Jakarta, Indonesia  
Tel. 62 (21) 5577 7775  
Fax. 62 (21) 5835 8607



Park View Apartment  
Jl. Margonda Raya No.1  
Pondok Beji, Depok 16424  
West Java, Indonesia  
Tel. 62 (21) 7887 0070



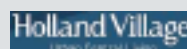
Embarcadero  
Bintaro Sektor 9  
Tangerang, Banten  
Indonesia



St. Moritz Panakukang  
Jl. Boulevard - Panakukang  
Makassar, South Sulawesi  
Indoneisa



Lippo Thamrin  
Jl. M.H. Thamrin Kav. 20  
Central Jakarta  
Indonesia



Holland Village  
Jl. Letnan Jendral Suprpto No.1  
Jakarta 10510  
Indonesia

## Retail Malls

### PEJATEN VILLAGE

Pejaten Village  
Jl. Warung Jati Barat No. 39  
Jati Padang, Pasar Minggu, Jakarta, Indonesia  
Tel. 62 (21) 762 2611, 781 5818



City of Tomorrow  
Jl. Jend. Achmad Yani No. 288  
Surabaya 60234, East Java, Indonesia  
Tel. 62 (31) 827 5888



Bandung Indah Plaza  
Jl. Merdeka No. 56, Bandung 40115  
West Java, Indonesia  
Tel. 62 (22) 423 0850, 424 0336



PX Pavilion@ The St. Moritz  
Jl. Boulevard Puri Indah Raya Bl. U1  
Puri Indah CBD, West Jakarta, Indonesia  
Tel. 62 (21) 5835 1076



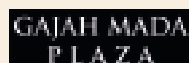
Istana Plaza  
Jl. Pasir Kaliki No. 121-123, Bandung  
West Java, Indonesia  
Tel. 62 (22) 600 0404, 600 0100

### PLUIT VILLAGE

Pluit Village  
Jl. Pluit Raya Indah Lt. 3  
Jakarta 14450, Indonesia  
Tel. 62 (21) 668 3888/3634 - 22



Cibubur Junction  
Jl. Jambore No. 1, Kec. Ciracas - Cibubur  
Jakarta 13720, Indonesia  
Tel. 62 (21) 8775 5678, 873 3339



Gajah Mada Plaza  
Jl. Gajah Mada No. 19 - 26  
Jakarta 10310, Indonesia  
Tel. 62 (21) 6385 8888, 633 6866



Sun Plaza  
Jl. H. Zainul Arifin No. 7, Medan 20152  
North Sumatera, Indonesia  
Tel. 62 (61) 450 1000 / 888



WTC Matahari  
Jl. Raya Serpong No. 39, Serpong  
Tangerang 15326, Banten, Indonesia  
Tel. 62 (21) 5315 5656

### METROPOLIS TOWN SQUARE

Metropolis Town Square  
Jl. Hartono Raya, Modern  
Kota Modern, Tangerang 15117  
Banten, Indonesia  
Tel. 62 (21) 5574 8384

### EKALOKASARI PLAZA

Ekalokasari Plaza  
Jl. Siliwangi No. 123, Bogor 16142  
West Java, Indonesia  
Tel. 62 (251) 831 8788, 838 7275

### Plaza Semanggi

The Plaza Semanggi  
Kawasan Bisnis Granadha  
Jl. Jend. Sudirman Kav. 50  
Jakarta 12930, Indonesia  
Tel. 62 (21) 527 5878, 2553 6325

### PLAZA MEDAN FAIR

Plaza Medan Fair  
Jl. Jend. Gatot Subroto No. 30  
Medan 20113  
North Sumatera, Indonesia  
Tel. 62 (61) 414 1888

### MAL LIPPO CIKARANG

Mal Lippo Cikarang  
Jl. M.H. Thamrin, Lippo Cikarang  
Bekasi 17550, West Java, Indonesia  
Tel. 62 (21) 897 2535 - 37

### BELLANOVA COUNTRY MALL

Bellanova Country Mall  
Jl. M.H. Thamrin No. 8  
Bukit Sentul Selatan, Bogor 16810  
West Java, Indonesia  
Tel. 62 (21) 8792 3888

## Projects

## BUSINESS UNIT ADDRESSES

## Retail Malls

DEPOK  
TOWN SQUARE

Depok Town Square  
Jl. Margonda Raya No. 01  
Pondok Beji, Depok 16424  
West Java, Indonesia  
Tel. 62 (21) 7887 0101

MALANG  
TOWN SQUARE

Malang Town Square  
Jl. Veteran No. 2  
Malang, East Java  
Indonesia  
Tel. 62 (341) 575 761

GTC  
MAKASSAR

GTC Makassar, Ruko GA 8 No. 35-36  
Jl. Metro Tanjung Bunga  
Makassar 90134  
South Sulawesi, Indonesia  
Tel. 62 (411) 811 4088

TAMINI  
SQUARE

Tamini Square  
Jl. Taman Mini Raya, Pinang Ranti  
Jakarta, Indonesia  
Tel. 62 (21) 8778 5888

BINJAI  
SUPERMALL

Binjai Supermall  
Jl. Soekarno Hatta No.14, Binjai 20731  
North Sumatera, Indonesia  
Tel. 62 (61) 882 5111, 7734 7171/7373

## PALLADIUM MALL

Grand Palladium Medan  
Jl. Kapten Maulana Lubis No. 3, Petisan Tengah  
Medan 20112, North Sumatera, Indonesia  
Tel. 62 (61) 451 7106

LIPPO PLAZA  
KRAMAT JATI

Kramat Jati Indah Plaza  
Jl. Raya Bogor Km. 19 Kramat Jati  
Jakarta 13510, Indonesia  
Tel. 62 (21) 809 5558, 809 5577

PALEMBANG  
SQUARE

Palembang Square  
Jl. Angkatan 45, R63 - R65, Palembang  
South Sumatera, Indonesia  
Tel. 62 (711) 380 001, 378 313-4

GRAND MAL  
BEKASI

Grand Mal Bekasi  
Jl. Jend. Sudirman, Medan Satria, Bekasi 17143  
West Java, Indonesia  
Tel. 62 (21) 885 5328

LIPPO PLAZA  
BATU

Batos Mall, Batu – Malang  
Jl. Diponegoro Kota Batu, Malang

LIPPO PLAZA  
KENDARI

Lippo Plaza Kendari  
Jl. MT. Haryono, Kendari

LIPPO PLAZA  
SIDOARJO

Sitos Mall, Sidoarjo  
Jl. Jati Raya, Sidoarjo

LIPPO PLAZA  
SUNSET

Lippo Plaza Sunset Bali  
Sunset Road Street, Kuta, Bali

LIPPO MALL  
KEMANG

Lippo Mall Kemang  
Kemang Village, 36 Pangeran Antasari,  
Jakarta 12150

## PSx

PSx Palembang Square Extension  
Building Management (Lantai 4 Mezzanine)  
Jl. Angkatan 45 / Kampus POM IX - Ilir Barat I,  
Palembang 30137

## BLU PLAZA

Blu Plaza  
Jl. Chairil Anwar no.27-36, Bekasi 17113.  
Tel. 62 (21) 8823555  
Fax. 62 (21) 8811234

LIPPO MALL  
KUTA

Lippo Mall Kuta  
Jl. Kartika Plaza, Lingkungan Segara,  
Kuta-Bali 80361

## PALEMBANG ICON

Palembang Icon  
Jl. Pom IX, RT.30 RW. 09, Lorok Pakjo, Ilir Barat 1  
Palembang 30137  
Tel. 62 (711) 5649366-68

# Healthcare



**Siloam Hospitals Lippo Village, Indonesia's First Internationally Accredited Hospital**

Siloam Hospitals Lippo Village  
Jl. Siloam No. 6, Lippo Village 1600  
Tangerang 15811, Banten, Indonesia  
Tel. 62 (21) 546 0055  
Fax. 62 (21) 546 0921

**Siloam Hospitals**



**Siloam Hospitals**

Siloam Hospitals Lippo Cikarang  
Jl. M.H. Thamrin Kav. 105, Lippo Cikarang  
Bekasi 17550, West Java, Indonesia  
Tel. 62 (21) 8990 1088  
Fax. 62 (21) 8990 0022



**Siloam Hospitals**

Siloam Hospitals Bali  
Jl. Sunset Road No. 818  
Kuta, Badung, Bali  
Tel. 62 (361) 779900  
Fax. 62 (361) 779933

**Siloam Hospitals**

Siloam Hospitals BIMC Kuta  
Jl. By Pass Ngurah Rai 100 X  
Kuta 80361, Bali  
Tel. 62 (361) 761263  
Fax. 62 (361) 764345

**MRCCC**

**Siloam Hospitals**

MRCCC Siloam Hospitals Semanggi  
Jl. Garnisun Kav. 2-3  
Karet Semanggi, Jakarta  
Indonesia  
Tel. 62 (21) 2996 2888

**Siloam Hospitals**

Siloam Hospitals Makassar  
Jl. Metro Tanjung Bunga, Kav. 9  
Makassar, South Sulawesi,  
Indonesia  
Tel. 62 (411) 811 7555

**Siloam Hospitals**

Siloam Hospitals BIMC Nusa Dua  
Kawasan BTDC Blok D  
Nusa Dua 80363, Bali  
Tel. 62 (361) 3000911  
Fax. 62 (361) 3001150

**Siloam Hospitals**

Siloam Hospitals Surabaya  
Jl. Raya Gubeng No. 70  
Surabaya 60281, East Java, Indonesia  
Tel. 62 (31) 503 1333  
Fax. 62 (31) 503 1533



**Siloam Hospitals**

Siloam Hospitals Balikpapan  
Jl. MT. Haryono No. 9, Ring Road  
Balikpapan 76114, Indonesia  
Tel. 62 (542) 720 6509  
Fax. 62 (542) 720 6517

**Siloam Sriwijaya**

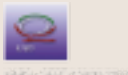
Siloam Hospitals Sriwijaya  
Jl. POM IX, Kodya Palembang  
South Sumatera, Indonesia  
Tel. 62 (711) 522 9100

**Siloam Hospitals**

Siloam Hospitals Cinere  
Jl. Maribaya No. 1  
Puri Cinere, Depok, Indonesia  
Tel. 62 (21) 7545499

**Siloam Hospitals**

Siloam Hospitals Jambi  
Jl. Soekarno Hatta, Paal Merah  
Jambi, Indonesia  
Tel. 62 (741) 573 333



**Siloam Hospitals**

Siloam Hospitals Manado  
Boulevard Centre  
Jl. Sam Ratulangi No. 22,  
Manado 95111, Indonesia  
Tel. 62 (43) 1888 3131  
Fax. 62 (43) 1888 3133

**Siloam Hospitals**

Rumah Sakit Umum Siloam (RSUS)  
Jl. Siloam No. 6,  
Lippo Village 1600  
Tangerang 15811,  
Banten, Indonesia  
Tel. 62 (21) 5422 0770,  
5421 3003, 5421 5656

**Siloam Hospitals**

Siloam Hospitals TB Simatupang  
Jl. R.A. Kartini No. 8  
Cilandak, South Jakarta  
Indonesia  
Tel. 62 (21) 29531900

**Siloam Hospitals**

Siloam Hospitals Kebon Jeruk  
Jl. Raya Perjuangan Kav. 8, Kebon Jeruk  
Jakarta 11530, Indonesia  
Tel. 62 (21) 530 0888  
Fax. 62 (21) 530 0876



# Hotels

## HOTEL ARYADUTA JAKARTA

Hotel Aryaduta Jakarta  
Jl. Prapatan 44-48, Jakarta 10110  
Indonesia  
Tel. 62 (21) 2352 1234  
Fax. 62 (21) 2351 8600

## HOTEL ARYADUTA PEKANBARU

Hotel Aryaduta Pekanbaru  
Jl. Diponegoro No. 34  
Pekanbaru 28116, Riau, Indonesia  
Tel. 62 (761) 44 200  
Fax. 62 (761) 44 210

## HOTEL ARYADUTA MANADO

Hotel Aryaduta Manado  
Jl. Piere Tendean (Boulevard)  
Manado, North Sulawesi, Indonesia  
Tel. 62 (431) 855 555  
Fax. 62 (431) 868 888

## HOTEL ARYADUTA MEDAN

Hotel Aryaduta Medan  
Jl. Kapten Maulana Lubis No. 8  
Medan 20112  
North Sumatera, Indonesia  
Tel. 62 (61) 457 2999  
Fax. 62 (61) 457 1999

## HOTEL ARYADUTA LIPPO VILLAGE

Hotel Aryaduta Lippo Village  
Jl. Boulevard Jend. Sudirman No. 401  
Lippo Village 1300, Tangerang 15611  
Banten, Indonesia  
Tel. 62 (21) 546 0101  
Fax. 62 (21) 546 0201

## HOTEL ARYADUTA MAKASSAR

Hotel Aryaduta Makassar  
Jl. Somba Opu No. 297, Makassar 90111  
South Sulawesi, Indonesia  
Tel. 62 (411) 870 555  
Fax. 62 (411) 870 222

## HOTEL ARYADUTA PALEMBANG

Hotel Aryaduta Palembang  
Jl. POM IX, Palembang Square  
Palembang 30137  
South Sumatera, Indonesia  
Tel. 62 (711) 383 838  
Fax. 62 (711) 377 900

## HOTEL ARYADUTA SEMANGGI

Hotel Aryaduta Semanggi  
Jl. Garnisun Dalam No. 8, Karet Semanggi  
Jakarta 12930, Indonesia  
Tel. 62 (21) 251 5151  
Fax. 62 (21) 251 4090



Shima Japanese Restaurant  
Main Lobby - Hotel Aryaduta Jakarta  
Jl. Prapatan No. 44-48, Jakarta 10110, Indonesia  
Tel. 62 (21) 3852233, 3844926,  
62 (21) 2311234 ext.  
88159/88199



## Projects

## BUSINESS UNIT ADDRESSES

## Leisure



Benton Junction  
Jl. Boulevard Palem Raya No. 38  
Lippo Village, Tangerang 15811  
Banten, Indonesia  
Tel. 62 (21) 547 2307 / 547 2308  
Fax. 62 (21) 5421 1176



Permata Sports Club  
Jl. Taman Permata No. 301  
Lippo Village  
Tangerang  
Banten, Indonesia  
Tel. 62 (21) 591 5966



Grand Bowling  
Mall WTC Matahari Lt. 5  
Jl. Raya Serpong No. 39, Serpong  
Tangerang 15326 Banten, Indonesia  
Tel. 62 (21) 5315 4730  
Fax. 62 (21) 5315 4732



Puncak Resor  
Jl. Hanjarwar, Desa Sukanagalih  
Pacet, Cipanas  
West Java, Indonesia  
Tel. 62 (263) 515 001  
Fax. 62 (263) 515 020



Imperial Klub Golf  
Jl. Pulau Golf 2709, Lippo Village  
Tangerang 15811  
Banten, Indonesia  
Tel. 62 (21) 546 0120  
Fax. 62 (21) 546 0121



Balai Serpong  
WTC Matahari - Serpong  
Jl. Raya Serpong No. 39  
Tangerang 15326 Banten, Indonesia  
Tel. 62 (21) 5315 5656  
Fax. 62 (21) 5315 5757

## Managed by Hotel Aryaduta:



La Collina Italian Restaurant  
San Diego Hills Memorial Park  
Exit Tol Karawang Barat Km. 46  
West Java, Indonesia  
Tel. 62 (267) 845 3333  
Fax. 62 (267) 845 4575



Water Boom Lippo Cikarang  
Jl. Madiun Kav. 115  
Lippo Cikarang, Bekasi  
West Java, Indonesia  
Tel. 62 (21) 8990 7814, 8990 9467  
Fax. 62 (21) 8990 9469



Grand Chapel  
UPH Tower C 6th Floor  
Lippo Village, Tangerang  
Banten, Indonesia  
Tel. 62 (21) 546 6623, 546 6239  
Fax. 62 (21) 5420 2897

## Infrastructure



Town Management Services  
2121 Boulevard Gajah Mada # 01-01  
Lippo Cyber Park, Lippo Village  
Tangerang 15811 Banten, Indonesia  
Tel. 62 (21) 5579 0190/91  
Fax. 62 (21) 5579 7111/17



Potable & Waste Water Management  
2121 Boulevard Gajah Mada # 01-01  
Lippo Cyber Park, Lippo Village  
Tangerang 15811 Banten, Indonesia  
Tel. 62 (21) 5579 0190/91  
Fax. 62 (21) 5579 7111/17



Home Care Unit  
2121 Boulevard Gajah Mada # 01-01  
Lippo Cyber Park, Lippo Village  
Tangerang 15811 Banten, Indonesia  
Tel. 62 (21) 5579 0190/91  
Fax. 62 (21) 5579 7111/17



PT Dinamika Intertrans  
2121 Boulevard Gajah Mada # 01-01  
Lippo Cyber Park, Lippo Village  
Tangerang 15811 Banten, Indonesia  
Tel. 62 (21) 5579 0190/91  
Fax. 62 (21) 5579 7111/12

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Supporting

# PROFESSIONS & INSTITUTIONS

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## Registered Public Accountant

Aryanto, Amir Jusuf, Mawar & Saptoto (AAJ Associates)  
10th and 11th fl Plaza ABDA  
Jl. Jend. Sudirman Kav. 59  
Jakarta 12190, Indonesia

## Share Registrar

PT Sharestar Indonesia  
7th fl Berita Satu Plaza  
Jl. Gatot Subroto Kav. 35-36  
Jakarta 12950, Indonesia

## Legal Consultant

Makes & Partners Law Firm  
7th fl Menara Batavia  
Jln. KH. Mas Mansyur Kav. 126  
Jakarta 10220, Indonesia

# List of SUBSIDIARIES

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
Lippo Karawaci Finance B. V.**	Netherland	Investment, Trading and Services	100.00%	--	2006
Theta Capital Pte Ltd	Singapore	Investment	100.00%	--	--
Theta Kemang Pte Ltd	Singapore	Trading	--	100.00%	--
Sigma Capital Pte Ltd	Singapore	Investment	100.00%	--	--
Sigma Trillium Pte Ltd	Singapore	Trading	--	100.00%	--
Lippo Karawaci Corporation Pte Ltd	Singapore	Investment, Trading and Services	100.00%	--	--
LK Reit Management Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Bowsprit Capital Corporation Ltd	Singapore	Investment, Trading and Services	--	100.00%	2006
Jesselton Investment Limited	Malaysia	Investment, Trading and Services	100.00%	--	--
Peninsula Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
LMIRT Management Ltd	Singapore	Investment, Trading and Services	--	100.00%	2007
PT Primakreasi Propertindo	Tangerang	Trading, Development, Services	100.00%	--	--
PT Mujur Sakti Graha	Tangerang	Trading, Development, Services	--	100.00%	--
PT Surplus Multi Makmur	Jakarta	Trading, Development, Services	--	90.00%	--
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--
PT PuriParagon	Tangerang	Development, Trading and Services	--	100.00%	--
PT Menara Tirta Indah	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gempita Sinar Abadi	Jakarta	Development, Trading and Services	--	100.00%	--
PT Tatabangun Nusantara	Tangerang	Development, Trading and Services	--	100.00%	--
PT Multiguna Selaras Maju	Tangerang	Development, Trading and Services	--	100.00%	--
PT Lintas Lautan Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Nilam Biru Bersinar	Tangerang	Development, Trading and Services	--	100.00%	--
PT Safira Prima Utama	Tangerang	Development, Trading and Services	--	100.00%	--
PT Kalimaya Pundi Bumi	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gloria Mulia	Tangerang	Development, Trading and Services	--	100.00%	--
PT Graha Solusi Mandiri	Jakarta	Services	--	100.00%	--
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	80.00%	--
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Mandiri Cipta Gemilang	Jakarta	Trading, Development, Services	--	100.00%	2003
PT Titian Semesta Raya	Jakarta	Development, Trading and Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bahtera Perkasa Makmur	Manado	Development, Trading, Printing and Services	--	100.00%	--
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bimasakti Jaya Abadi	Jakarta	Development, Trading, Printing and Services	--	100.00%	2011
PT Kuta Beach Paragon	Tangerang	Development, Trading and Services	--	100.00%	--
PT Graha Buana Utama	Tangerang	Development, Trading and Services	--	100.00%	--
PT Berkat Langgeng Jaya	Tangerang	Development, Trading and Services	--	100.00%	--
PT Pamor Paramita Utama	Badung	Development, Trading and Services	--	87.50%	2013
PT Surya Megah Lestari	Jakarta	Development, Trading, Printing, Transportation, Industry, Agribusiness and Services	--	100.00%	--
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--
PT Danisa Indah Cipta	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--
PT Fajarindo Sinar Sakti	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--
PT Jaya Makmur Bersama	Badung	Development, Trading and Services	--	100.00%	--
PT Gumarang Karya Sejati	Manado	Development, Trading, Printing and Services	--	100.00%	--
PT Grand Villa Persada	Tangerang	Trading, Development, Services	--	100.00%	--
PT Mega Proyek Pertiwi	Tangerang	Trading, Development, Services	--	100.00%	--
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gempita Cipta Bersama	Semarang	Development, Trading and Services	--	100.00%	--
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--
PT Lautan Sinar Abadi	Tangerang	Development, Trading and Services	--	100.00%	--
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	86.50%	--
PT Kreasi Tunas Bangsa	Tangerang	Development, Trading and Services	--	87.51%	--
PT Grahata Asri Makmur	Tangerang	Development, Trading and Services	--	87.51%	--
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--



Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Timor Eka Selaras	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sultana Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Wijayakusuma Sukses Maju	Padang	Development, Trading, Printing and Services	--	100.00%	--
PT Andalan Utama Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bumi Arum Sejahtera	Medan	Development, Trading, Printing and Services	--	100.00%	--
PT Cipta Semesta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Mentari Panen Raya	Jakarta	Development, Trading, Printing and Services	--	100.00%	--
PT Satyagraha Dinamika Unggul	Tangerang	Development, Trading, Printing and Services	--	70.00%	--
PT Jayadipta Utama Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bumi Sindang Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Cahaya Teratai Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Damarindo Perkasa	Jambi	Development, Trading, Printing and Services	--	100.00%	--
PT Cipta Dunia Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Puri Istana Megah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sekawan Dunia Dinamika	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Citra Dwi Anugrah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Pelangi Mutiara Timur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sari Karya Muda	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sinar Biru Artha	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Tunggal Mekar Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Graha Dana Dinamika	Jakarta	Development, Trading, Printing and Services	--	100.00%	--
PT Mega Pratama Serasi	Depok	Development, Trading, Printing and Services	--	100.00%	--
PT Mulia Aditama Setia	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Pradamas Graha Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Mentari Adi Perkasa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Berdikari Jaya Abadi	Tangerang	Development, Trading, Printing and Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Lumbung Mas Trijaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Karyatama Buana Cemerlang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Mapalus Mancacakti	Tangerang	Development, Trading, Printing and Services	--	70.00%	--
PT Dwi Prabu Sakti	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sumber Pundi Sejahtera	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Prabu Cipta Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Multi Panen Utama	Kupang	Development, Trading, Printing and Services	--	100.00%	--
PT Pancuran Intan Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Solusi Dunia Baru	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Suar Lintas Samudra	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Berkat Samiguna Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Global Lintas Multitama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sarana Ciptakarya Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Mitra Samiguna Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Cipta Mutiara Sukses	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Suar Mutiara Semesta	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Manyala Harapan	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Suar Lintas Benua	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Mulia Cipta Wibawa	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Manunggal Bumi Sejahtera	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Sentra Dwimandiri	Jakarta	Trading, Development, Services	100.00%	--	--
PT Prudential Development	Jakarta	Trading, Development, Services	--	100.00%	--
PT Sentra Realtindo Development	Jakarta	Home Improvement	--	100.00%	2001
PT Darma Sarana Nusa Pratama	Tangerang	Trading, Development, Services	--	52.70%	1997
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	47.28%	2001
PT Golden Pradamas	Tangerang	Trading, Development, Services	--	100.00%	--
PT Mulia Bangun Semesta	Tangerang	Trading, Development, Services	--	100.00%	2002

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Villa Permata Cibodas	Tangerang	Trading, Development, Services	--	100.00%	1995
PT Puncak Resort International	Cianjur	Trading, Development, Services	--	100.00%	1994
PT Sentosa Seksama	Cianjur	Trading, Development, Services	--	100.00%	1994
PT Purimegah Swarga Buana	Cianjur	Trading, Development, Services	--	100.00%	1994
PT Adigraha Rancang Sempurna	Cianjur	Trading, Development, Services	--	100.00%	1994
PT Pesanggrahan Suripermata Agung	Cianjur	Trading, Development, Services	--	100.00%	1994
PT Dona Indo Prima	Tangerang	Trading, Development, Services	--	100.00%	--
PT Sukmaprima Sejahtera	Tangerang	Trading, Development, Services	--	100.00%	--
PT Muliasentosa Dinamika	Tangerang	Trading, Development, Services	--	100.00%	1997
PT Sentra Asritama Realty Development	Tangerang	Water Treatment Installation	--	100.00%	1994
PT Tata Mandiri Daerah Lippo Karawaci	Tangerang	Town Management	--	100.00%	1999
PT Surya Makmur Alam Persada	Jakarta	Trading, Development, Services	--	100.00%	--
PT Karya Bersama Jaya		Water Treatment Installation		100.00%	2010
PT Sentragraha Mandiri	Jakarta	Trading, Development, Services	--	100.00%	--
PT Saptapersada Jagatnusa	Tangerang	Bowling	--	100.00%	1998
PT Sejatijaya Selaras	Jakarta	Trading, Development, Services	--	100.00%	--
PT Bahtera Pratama Wirasakti	Jakarta	Trading, Development, Services	--	100.00%	--
PT Sentra Office Realty	Tangerang	Building Management	--	100.00%	1998
PT Dinamika Intertrans	Jakarta	Transportation	--	100.00%	1994
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--
PT Agung Sepadan	Tangerang	Trading, Development, Services	--	100.00%	--
PT Prudential Townhouse Development	Tangerang	Trading, Development, Services	--	100.00%	--
PT Wahana Tatabangun Cemerlang Matahari	Tangerang	Trading, Development, Services	--	100.00%	--
PT Wahana Tatabangun Cemerlang	Tangerang	Trading, Development, Services	--	100.00%	--
PT Paragon City	Padang	Trading, Development, Services	--	100.00%	--
		Trading			
PT Padang Indah City	Tangerang	Trading, Development and Services	--	100.00%	--
Bridgewater International Ltd	Seychelles	Investment dan Trading	--	100.00%	2006
Pan Asian Investment Ltd	Vanuatu	Trading	--	100.00%	--
Crownwell Investment Ltd	Vanuatu	Trading	--	100.00%	--
Indigo Fund Investment Fund Ltd	Cook Island	Investment	--	100.00%	--
Banksia Holdings Ltd	Cook Island	Trading	--	100.00%	--
PT Lippo Karawaci Infrastructure & Utilitas Division	Tangerang	Construction and Services	--	100.00%	--
Brightlink Capital Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
Evodia Strategic Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
Great Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Key Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
PT Perisai Dunia Sejahtera	Tangerang	Trading Industry and Services	--	100.00%	--
Globalink Investments Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Fortuna Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	--
PT Kemang Village Management	Jakarta	Hotel	--	100.00%	--
PT TMD Depok Manajemen	Depok	Services	--	100.00%	--
PT Wisma Jatim Propertindo	Jakarta	Services	100.00%	--	--
PT Maharama Sakti	Jakarta	Trading	--	100.00%	--
PT KemangParagon Mall	Tangerang	Development, Trading and Services	--	100.00%	--
PT Wahana Usaha Makmur	Jakarta	Trading, Development, Services	--	92.00%	--
PT Almaron Perkasa	Jakarta	Trading, Development, Services	--	92.00%	2005
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	92.00%	2013
PT Prima Aman Sarana	Jakarta	Services	--	92.00%	--
PT Kemang Multi Sarana	Jakarta	Urban Development	--	92.00%	--
PT Lipposindo Abadi	Jakarta	Trading	--	100.00%	--
PT Kemuning Satiatama	Jakarta	Trading	--	100.00%	--
PT Megachandra Karyalestari	Jakarta	Trading	--	100.00%	1992*
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*
PT Sentra Kharisma Indah	Jakarta	Services	--	80.00%	--
PT Carakatama Dirgantara	Jakarta	Trading	--	100.00%	--
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*
PT Ariasindo Sejati	Jakarta	Trading and Services	--	95.00%	--
PT Unitech Prima Indah	Tangerang	Trading, Development, Services	--	94.69%	2004
PT Karya Cipta Pesona	Medan	Accommodation Services	--	94.69%	--
PT Metropolitan Leisure Corporation	Jakarta	Trading and Services	--	100.00%	--
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--
PT Graha Tata Cemerlang Makasar	Makassar	Trading, Development, Services	--	100.00%	2002
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002
PT Lippo Land Cahaya Indonesia	Tangerang	Services	--	100.00%	2003
PT Karunia Persada Raya	Tangerang	Trading	--	100.00%	--
PT Pendopo Niaga	Malang	Trading, Development, Services	--	100.00%	2004
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--
PT Bathara Brahma Sakti (0,05% ownership in PT Gowa Makassar Tourism Development Tbk)	Tangerang	Trading and Services	--	100.00%	1992*



Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*
PT Dwisindo Jaya (0,05% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	100.00%	--
PT Karunia Alam Damai	Jakarta	Trading	--	100.00%	--
PT Jagatpertala Nusantara	Depok	Trading, Development, Services	--	100.00%	2004
PT Mulia Mukti Persada Perkasa	Jakarta	Trading	--	100.00%	--
PT Kemang Village	Jakarta	Trading	--	100.00%	--
PT Menara Bhumimegah	Jakarta	Services	--	100.00%	2005
PT Jaya Usaha Prima	Jakarta	Trading, Development, Services	--	80.00%	--
PT Persada Mandiri Abadi	Jakarta	Trading, Development, Services	--	99.90%	2005
PT Adhi Utama Dinamika	Jakarta	Trading, Development, Services	--	100.00%	--
PT Menara Perkasa Megah	Surabaya	City Development	--	100.00%	2005
PT Pelangi Cahaya Intan Makmur	Surabaya	Trading	--	87.50%	--
PT Surya Mitra Jaya	Sidoarjo	Trading and Services	--	87.50%	2005
	Surabaya	Accommodation	--	87.50%	--
PT Niaga Utama	Jakarta	Trading	--	100.00%	--
PT Mitra Kasih Karunia	Jakarta	Trading, Development, Services	--	100.00%	--
PT Kreasi Megatama Gemilang	Tangerang	Development, Industry, Agribusiness, Transportation Trading and Services	--	100.00%	--
PT Lippo Malls Indonesia	Tangerang	Services	--	100.00%	2002
PT Kreasi Gemilang Perkasa	Tangerang	Development, Trading and Services	--	100.00%	--
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--
PT Mulia Citra Abadi	Yogyakarta	Development, Trading, Printing, Transportation, Industry, Agribusiness and Services	--	100.00%	2012
PT Arwana Kreasi Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gayana Sumber Cipta	Tangerang	Development, Trading and Services	--	100.00%	--
PT Harapan Insan Mandiri	Jakarta	Development, Trading and Services	--	100.00%	--
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--
PT Putera Abadi Karya	Bogor	Development, Trading and Services	--	100.00%	--
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	--
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--
PT Lembayung Karya Nirwana	Jakarta	Development, Trading and Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Irama Karya Megah	Surabaya	Development, Trading and Services	--	100.00%	--
PT Saputra Karya (0,05% ownership in PT Gowa Makassar Tourism Development Tbk)	Surabaya	City Development	--	100.00%	--
PT Grand Provita	Tangerang	Trading, Development, Services	--	100.00%	--
PT Grand Prima Propertindo	Tangerang	Trading, Development, Services	--	65.00%	--
PT Pacific Sejahtera	Tangerang	Trading, Development, Services	--	100.00%	--
PT Satriamandiri Idola Utama	Jakarta	Trading, Development, Services	--	100.00%	--
PT Mahakaya Abadi	Tangerang	Trading, Development, Services	--	100.00%	--
PT Persada Mandiri Dunia Niaga	Jakarta	Trading, Development, Services	--	100.00%	--
PT Ekaputra Kencana Abadi	Jakarta	Trading, Development, Services	--	100.00%	--
PT Gapura Sakti Prima	Jakarta	Trading, Development, Services	--	100.00%	--
PT Menara Megah Tunggal	Jakarta	Trading, Development, Services	--	100.00%	--
PT Trias Mitra Investama	Binjai	Trading, Development, Services	--	100.00%	2005
PT Permata Agung Propertindo	Jakarta	Trading, Development, Services	--	100.00%	--
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Direct Power	Bogor	Trading, Industry, Printing, Agribusiness, Transportation, Trading and Services	--	100.00%	2007
PT Mitra Mulia Kreasi	Jakarta	Development, Industry, Maining, Agribusiness, Transportation, Trading and Services	--	80.00%	--
PT Bellanova Country Mall	Bogor	Development, Transportation, Trading and Services	--	80.00%	2005
PT Sarana Global Multindo	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Guna Sejahtera Karya	Jakarta	Development, Industry, Agribusiness, Garden, Trading and Services	--	100.00%	--
PT Citra Sentosa Raya	Jakarta	Trading, Industry, Agribusiness, Transportation and Services	--	100.00%	--
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Agribusiness, Garden and Services	--	100.00%	--
Rosenet Limited	British Virgin Island	Investment	--	100.00%	--
Sea Pejaten Pte. Ltd	Singapore	Investment	--	100.00%	--
Continental Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
PT Sandiego Hills Memorial Park	Karawang	Trading and Services	--	100.00%	2006
PT Pengelola Memorial Park	Karawang	Development, Trading and Services	--	100.00%	2010
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services Public	--	100.00%	--
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--
PT Alona Griya Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Kreasi Ciptaprima Gemilang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Manikam Mutu Prima	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Suporta Developa Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Lippo Cikarang Tbk	Bekasi	Trading, Development, Services	--	54.37%	1989
PT Great Jakarta Inti Development	Bekasi	Town Management	--	54.37%	1992
PT Menara Inti Development	Bekasi	Trading, Development, Services	--	54.37%	2012
PT Tunas Pundi Bumi	Bekasi	Town Management	--	54.37%	2010
PT Erabaru Realindo	Bekasi	Trading, Development, Services	--	54.37%	--
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993
PT Kreasi Dunia Keluarga	Bekasi	Recreation Services	--	54.37%	1993
PT Chandra Mulia Adhidharma	Bekasi	Property Management	--	54.37%	2011
PT Tirtasari Nirmala	Bekasi	Water and Waste Treatment Plant	--	54.37%	2011
PT Waska Sentana	Bekasi	Trading, Development, Services	--	54.37%	2011
PT Swadaya Teknopolis	Bekasi	Trading, Development, Services	--	54.37%	2009
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2009
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009
PT Cahaya Ina Permai	Bekasi	Trading, Development, Services	--	54.37%	--
PT Zeus Karya Prima	Tangerang	Development, Trading, Printing and Services	--	54.37%	--
PT Manunggal Utama Makmur	Tangerang	Trading, Development, Services	--	54.37%	--
PT Mahkota Sentosa Ekanusa	Bekasi	Trading, Development, Services	--	54.37%	--
PT Mega Kreasi Teknika	Bekasi	Building Counstruction	--	54.37%	--
PT Astana Artha Mas	Tangerang	Trading, Development, Services	--	54.37%	--
PT Mega Kreasi Nusantara Teknologi	Bekasi	Trading, Development, Services	--	54.37%	--
PT Pondera Prima Sarana	Tangerang	Trading, Development, Services	--	54.37%	--
PT Telaga Banyu Murni	Tangerang	Trading, Development, Services	--	54.37%	--
PT Karimata Alam Damai	Tangerang	Trading, Development, Services	--	54.37%	--
PT Megapratama Karya Persada	Tangerang	Investment, Trading and Services	100.00%	--	--
PT Siloam International Hospitals Tbk	Tangerang	Healthcare	--	85.99%	2010
PT Aritasindo Permaisemesta	Jakarta	Healthcare	--	85.99%	--
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Industry and Services	--	85.99%	--
PT Multiselaras Anugerah	Tangerang	Development, Trading, Industry and Services	--	85.99%	--
PT Nusa Medika Perkasa	Jakarta	Healthcare	--	63.25%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Siloam Graha Utama	Jakarta	Development, Transportation, Trading and Services	--	85.99%	--
PT East Jakarta Medika	Bekasi	Healthcare	--	74.62%	2002
PT Guchi Kencana Emas	Jakarta	Development and Services	--	85.96%	--
PT Golden First Atlanta	Jambi	Healthcare	--	71.37%	2008
PT Prawira Tata Semesta	Jakarta	Development and Services	--	85.99%	--
PT Balikpapan Damai Husada	Balikpapan	Healthcare	--	68.45%	2007
PT Siloam Emergency Services	Tangerang	Healthcare	--	85.99%	--
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	--	85.99%	2013
PT Pancawarna Semesta	Tangerang	Trading, Industry and Services	--	85.99%	--
PT Diagram Healthcare Indonesia	Depok	Healthcare	--	68.79%	2006
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	85.99%	--
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	85.99%	--
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	85.99%	--
PT Kusuma Primadana	Tangerang	Trading, Industry and Services	--	85.99%	--
PT Adijaya Buana Sakti	Tangerang	Trading, Industry and Services	--	68.79%	--
PT Siloam Sumsel Kemitraan	Tangerang	Trading, Industry and Services	--	48.15%	--
PT RS Siloam Hospital Sumsel	Palembang	Health Services	--	70.85%	2012
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	85.97%	--
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	85.97%	--
PT Sembada Karya Megah	Tangerang	Trading, Industry and Services	--	85.97%	--
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	85.97%	--
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	85.97%	--
PT Tunggal Pilar Perkasa	Tangerang	Development, Trading, Printing and Services	--	85.97%	--
PT Tirtasari Kencana	Serang	Development, Trading and Services	--	85.97%	--
PT Gramari Prima Nusa	Medan	Development, Trading, Printing and Services	--	65.97%	--
PT Krisolis Jaya Mandiri	Kupang	Health Services	--	85.97%	--
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	85.97%	--
PT Agung Cipta Raya	Tangerang	Health Services	--	85.97%	--
PT Bina Cipta Semesta	Padang	Health Services	--	85.97%	--
PT Mega Buana Bhakti	Pangkal	Trading	--	85.97%	--
	Pinang	Industry and Services	--		
PT Taruna Perkasa Megah	Yogyakarta	Trading, Industry and Services	--	85.97%	--
PT Tataka Bumi Karya	Bogor	Trading, Industry and Services	--	85.97%	--
PT Tataka Karya Indah	Bandung	Trading, Industry and Services	--	85.97%	--
PT Siloam Medika Cemerlang	Tangerang	Trading, Industry and Services	--	89.49%	--
PT Koridor Usaha Maju	Tangerang	Development, Trading, Printing and Services	--	85.99%	--
PT Medika Sarana Triliansia	Bali	Development, Trading, Printing and Services	--	68.79%	2008



Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Trisaka Raksa Waluya	Tangerang	Healthcare Business and Services	--	68.79%	2008
PT Berlian Cahaya Indah	Tangerang	Development, Trading, Printing and Services	--	85.99%	2008
PT Mahkota Buana Selaras	Tangerang	Development, Trading, Printing and Services	--	85.99%	--
PT Primakarya Dunia Sentosa	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Eramulia Pratamajaya	Jakarta	Healthcare	99.99%	0.01%	--
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--
PT Siloam Dinamika Perkasa	Jakarta	Trading, Pembangunan, Transportation dan Services Healthcare	--	100.00%	--
PT Siloam Sarana Karya	Jakarta	Healthcare	--	100.00%	2005
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Buana Mandiri Selaras	Jakarta	Development and Services	--	100.00%	--
PT Serasi Adikarsa	Jakarta	Trading, Industry, Development and Maining	0.01%	99.99%	--
PT Kalanusa Intan Cemerlang	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--
PT Abadi Jaya Sakti	Tangerang	Investment, Trading and Services	100.00%	--	--
PT Tigamitra Ekamulia	Jakarta	General	0.01%	99.99%	1998*
PT Shimatama Graha	Jakarta	Restaurant, Cafe and Catering	--	100.00%	1989
PT Aryaduta International Management	Jakarta	Management Services	--	100.00%	1998
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--
PT Zodia Karya Indah	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Lippo Hotel Indonesia dan Entitas Anak	Tangerang	Services	75.00%	25.00%	--
PT Aryaduta Kuta Bali	Badung	Tourism	--	100.00%	--
PT Lippo Horesi Indonesia	Tangerang	Development, Trading and Services	75.00%	25.00%	--
PT Graha Jaya Pratama	Tangerang	Trading, Development, Services	100.00%	--	--
PT Tataguna Cemerlang	Jakarta	Trading and Development	--	100.00%	--
PT Aresta Amanda Lestari	Jakarta	Trading	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Aresta Permata Utama	Jakarta	Trading	--	100.00%	--
PT Fajar Usaha Semesta	Jakarta	Trading	--	100.00%	--
PT Fajar Raya Cemerlang	Jakarta	Trading	--	100.00%	--
PT Fajar Abadi Aditama	Jakarta	Trading	--	100.00%	--
PT Nuansa Indah Lestari	Jakarta	Trading	--	100.00%	--
PT Metropolitan Permaisemesta	Jakarta	Trading	--	89.74%	--
PT Makassar Permata Sulawesi	Jakarta	Trading	--	89.74%	--
PT Gowa Makassar Tourism Development Tbk	Makassar	Development, Trading	4.92%	49.05%	1997
PT Kenanga Elok Asri	Tangerang	Development, Trading, Printing and Services		53.97%	--
PT Krisanta Esa Maju	Tangerang	Development, Trading, Printing and Services	--	57.29%	--
PT Tribuana Jaya Raya	Tangerang	Development, Trading, Printing and Services	--	57.29%	--
PT Griya Eksotika Utama	Tangerang	Development, Trading, Printing and Services	--	57.29%	--
PT Mulia Sarana Sakti	Makassar	Trading	--	89.76%	--
	Tangerang	Development, Trading, Printing and Services	--	89.76%	--



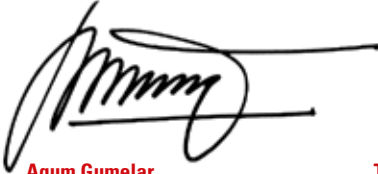

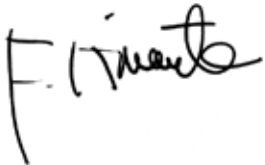


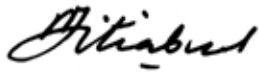
# Statement of The Board of Commissioners and Board of Directors Regarding Responsibility for the 2013 Annual Report of PT Lippo Karawaci Tbk.

We, the undersigned, hereby declare that all information in the annual report of PT Lippo Karawaci Tbk for the year 2013 has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of such annual report.

This statement is duly made in all integrity.

Lippo Village, March 2014

## Board of Commissioners

			
<b>Theo L. Sambuaga</b> President Commissioner	<b>Surjadi Soedirdja</b> Vice President Commissioner and Independent Commissioner	<b>Agum Gumelar</b> Independent Commissioner	<b>Tanri Abeng</b> Independent Commissioner
			
<b>Farid Harianto</b> Independent Commissioner	<b>Prof. Dr. Muladi, SH</b> Independent Commissioner	<b>Jonathan L. Parapak</b> Independent Commissioner	<b>Viven G. Sitiabudi</b> Commissioner

## Board of Directors

		
<b>Ketut Budi Wijaya</b> President Director	<b>Tjokro Libianto</b> Director	<b>Djoko Harjono</b> Director
		
<b>Roberto Feliciano</b> Director	<b>Rahmawaty</b> Director	<b>Jenny Kuistono</b> Non-Affiliated Director

# FINANCIAL

—• *Report* •—

**PT LIPPO KARAWACI TBK  
AND SUBSIDIARIES**

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





**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.J. 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  
**Aryanto, Amir Jusuf, Mawar & Saptoto**  
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Plaza ASIA, 10<sup>th</sup> floor  
Jl. Jend. Sudirman Kav. 59 Jakarta 12190 - Indonesia  
T +62 21 5140 1340, F +62 21 5140 1350  
[www.rsm.aajassociates.com](http://www.rsm.aajassociates.com)

## **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**



**Benny Andria**

Public Accountant License Number: AP.0181

Jakarta, March 20, 2014



*These consolidated financial statements are originally issued in Indonesian language*

**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)

<b>ASSETS</b>	<b>Notes</b>	<b>2013 Rp</b>	<b>2012 Rp</b>
<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



*These consolidated financial statements are originally issued in Indonesian language*

**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 Rp	2012 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

*These consolidated financial statements are originally issued in Indonesian language*

**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 Rp	2012 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	(3,619,571,510,440)	(3,339,267,470,227)
<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	(154,481,982,099)	(174,842,064,945)
<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	8,521,607,706	26,262,314,762
<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	(332,339,012,284)	(254,241,267,447)
<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 in Foreign Currency	2.c, 31	551,913,534,644	50,594,220,564
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	2.c, 2.x, 5, 31	(468,256,797,333)	1,109,106,560,589
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>83,656,737,311</b>	<b>1,159,700,781,153</b>
<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	364,260,991,820	262,625,084,509
		<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	364,260,991,820	262,625,084,509
		<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 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

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**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)

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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 CASH FLOWS**

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

	Notes	2013 Rp	2012 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		(2,078,824,228,757)	1,288,793,481,006
<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		(580,321,132,581)	(1,704,447,425,532)
<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		1,141,962,270,359	1,536,825,247,903
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		(1,517,183,090,979)	1,121,171,303,377
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>		3,337,357,407,919	2,174,560,697,339
<b>ENDING BALANCE OF CASH AND CASH EQUIVALENTS</b>		<b>1,855,051,780,961</b>	<b>3,337,357,407,919</b>

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



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## **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**

### **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.

*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)

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.

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)

### 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 *)	Singapore	Investment	100.00%	--	--	8,100,341,636,642	5,131,103,634,489
Theta Kemang Pte Ltd*** *)	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 Mujuir 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 Seremesta 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

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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 Rp	2012 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 *)	Tangerang	Development, Trading and Services	--	87.51%	--	393,937,840	600,000,000
PT Grahutama Asri Makmur *)	Tangerang	Development, Trading and Services	--	87.51%	--	848,937,840	600,000,000
PT Karimata Putra Alam *)	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 Rp	2012 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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## 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 Rp	2012 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 Lumbung 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	--

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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 Rp	2012 Rp
PT Sentra Dwimandiri 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 Mulia 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 Muliasentosa 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		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 Jagatnusa	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
Crownwell 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 & Utilities 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 *)	Jakarta	Services	--	100.00%	--	10,000,000,000	--
PT Wisma Jatim Proptendo 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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## 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 Rp	2012 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% ownersip di PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	236,437,068,768	233,341,516,983
PT Megachandra Karyaalestari	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 Carakata Diantara 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 Kurniasindo 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 Carakata	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 Limanibu	Tangerang	Services	--	100.00%	1998*	356,013,588	357,178,014
PT Dwisindo Jaya (0.05% ownership 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 Jagatpatala 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 Mumi 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 <sup>2)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Gayana Sumber Cipta <sup>2)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	750,000,000	600,000,000
PT Harapan Insan Mandiri <sup>2)</sup>	Jakarta	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Semboja Indah Cipta <sup>2)</sup>	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Putera Abadi Karya <sup>2)</sup>	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 Rp	2012 Rp
PT Violet Pelangi Indah *)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Buana Mediatama *)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Nusaindah Bukit Permai *)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Lembayung Karya Nirwana *)	Jakarta	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Inspira Ide Cemerlang *)	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Irama Karya Megah *)	Surabaya	Development, Trading and Services	--	100.00%	--	250,595,377,563	600,000,000
PT Gaharu Alam Permai *)	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

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 Rp	2012 Rp
PT Santiago 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	Development, 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 Karyacipta 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 Erabar 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 Kelurga	Bekasi	Recreational Park	--	54.37%	1993	8,623,542,996	7,551,994,083
PT Chandra Mulia Adhitharma	Bekasi	Property Management	--	54.37%	2011	35,311,717,468	33,800,394,999
PT Tirtasari Nirmala	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 <sup>1)</sup>	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 Permaisemesta	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, 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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## 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 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 Pancawarna 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 Harmoni 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 Triliansia and Subsidiary	Bali	Development, Trading, Printing and Services	--	68.79%	2008	203,638,402,814	--

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## PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

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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 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 Purnama	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 Horesi 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 Rp	2012 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	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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## **PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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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 Sejatera, 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**

#### **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:

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

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

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

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

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

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

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

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

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

	2013 Rp	2012 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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## **PT LIPPO KARAWACI Tbk AND SUBSIDIARIES**

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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 Rp	2012 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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	2013 Rp	2012 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><u>1,855,051,780,961</u></u>	<u><u>3,337,357,407,919</u></u>

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

	2013	2012
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

	2013 Rp	2012 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	127,332,341,123	120,645,389,702
Large Scale Integrated Development:		
Apartments	74,172,268,058	47,602,891,467
Asset Enhancements	13,785,747,741	11,785,585,241
Subtotal	87,958,015,799	59,388,476,708
Retail Malls:		
Asset Enhancements	96,176,489,419	42,368,048,834
Shopping Centers	21,791,834,450	22,622,841,440
Subtotal	117,968,323,869	64,990,890,274
Healthcare:		
Inpatient and Outpatient	277,104,499,727	190,063,131,836
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	136,123,630,524	124,339,233,740
Property and Portfolio Management:		
Management Fees	72,819,087,284	78,242,646,521
Total Trade Accounts Receivable from Third Parties	819,305,898,326	637,669,768,781
Less : Allowance for Impairment in Value	(50,066,447,517)	(46,463,775,446)
Trade Accounts Receivable from Third Parties - Net	769,239,450,809	591,205,993,335
<b>Related Parties</b>		
Healthcare:		
Inpatient and Outpatient	2,432,208,891	3,171,020,453
<b>Total - Net</b>	<b>771,671,659,700</b>	<b>594,377,013,788</b>

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

	2013 Rp	2012 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	(257,814,536)	--
<b>Balance of December 31,</b>	<b>50,066,447,517</b>	<b>46,463,775,446</b>

Additional (reversal) of allowance for impairment of trade accounts receivable is based on the review of the status of debtors at the end of the 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**

	2013 Rp	2012 Rp
<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>
<b>Available-for-Sale Financial Assets</b>		
	2013 Rp	2012 Rp
At Cost		
Lippo Malls Indonesia Retail Trust (LMIRT)		
(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**

	2013 Rp	2012 Rp
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 Cibatu 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**

	<b>2013</b>	<b>2012</b>
	<b>Rp</b>	<b>Rp</b>
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 Rp	2012 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 Rp	2012 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 Rp	2012 Rp	Percentage to Total Assets/ Liabilities	
			2013 %	2012 %
<b>Cash and Cash Equivalents</b>				
PT Bank Nationalnobu 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 Rp	2012 Rp	Percentage to Total Assets/ Liabilities	
			2013 %	2012 %
<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 Net Sales/ Operating Expense	
	2013 Rp	2012 Rp	2013 %	2012 %
<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 Rp	2012 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
Acquisition Cost					
Land	55,213,852,732	987,171,476	--	--	56,201,024,208
Building	300,367,484,281	21,924,768,594	--	--	322,292,252,875
Total Acquisition Cost	355,581,337,013	22,911,940,070	--	--	378,493,277,083
Accumulated Depreciation					
Building	53,835,480,132	18,296,691,743	--	--	72,132,171,875
Total Accumulated Depreciation	53,835,480,132	18,296,691,743	--	--	72,132,171,875
Carrying Value	301,745,856,881				306,361,105,208



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	2012				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance 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	599,887,897,970	10,981,513,930	255,288,074,887	--	355,581,337,013
<b>Accumulated Depreciation</b>					
Building	71,487,590,028	14,828,838,505	32,480,948,401	--	53,835,480,132
Total Accumulated Depreciation	71,487,590,028	14,828,838,505	32,480,948,401	--	53,835,480,132
<b>Carrying Value</b>	<b>528,400,307,942</b>				<b>301,745,856,881</b>

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 Rp	2012 Rp
Rental Income	55,125,853,798	101,125,103,568
Direct Operating Cost Arises from 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 Rp	2012 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>	<b>18,296,691,743</b>	<b>14,828,838,505</b>

The investment property has been insured against fire damage and other risks to PT Lippo General Insurance Tbk, related party, with an insured amount of 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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Based on the evaluation of the value of investment properties as of December 31, 2013, management believes that there are no changes in circumstances indicate an impairment of investment properties.

## 12. Property and Equipment

	2013				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
Land	335,485,657,403	17,803,533,940	41,321,409,585	41,145,245,630	353,113,027,388
Building, Infrastructure and Renovations	711,798,619,937	932,239,176,953	922,002,565,113	121,582,597,841	843,617,829,618
Parks and Interiors	26,866,902,888	10,019,288,513	--	--	36,886,191,401
Golf Course and Club House	171,293,891,590	1,465,285,000	--	--	172,759,176,590
Transportation Equipment and Vehicles	36,818,875,481	7,474,148,560	--	--	44,293,024,041
Furniture, Fixtures and Office Equipment	426,756,519,156	185,571,934,855	208,681,380	(30,994,182,487)	581,125,590,144
Tools and Medical Equipment	905,566,792,488	398,124,750,707	7,571,079,015	34,531,389,087	1,330,651,853,267
Machinery and Project Equipment	215,011,736,822	16,255,008,343	6,151,600	(400,031,955)	230,860,561,610
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	5,738,703,291	--	--	(2,602,957,199)	3,135,746,092
	2,849,735,690,917	1,568,953,126,871	971,109,886,693	163,262,060,917	3,610,840,992,012
<b>Construction in Progress</b>	540,733,313,222	144,029,027,596	--	(21,886,980,130)	662,875,360,688
<b>Total Acquisition Cost</b>	<b>3,390,469,004,139</b>	<b>1,712,982,154,467</b>	<b>971,109,886,693</b>	<b>141,375,080,787</b>	<b>4,273,716,352,700</b>
<b>Accumulated Depreciation</b>					
<b>Direct Ownership</b>					
Building, Infrastructure and Renovations	182,835,145,207	50,828,282,519	--	--	233,663,427,726
Parks and Interiors	19,635,460,003	1,571,345,944	--	--	21,206,805,947
Golf Course and Club House	133,640,168,275	10,008,461,151	--	--	143,648,629,426
Transportation Equipment and Vehicles	24,622,368,327	4,451,891,956	--	--	29,074,260,283
Furniture, Fixtures and Office Equipment	314,587,140,579	51,011,413,785	206,583,536	--	365,391,970,828
Tools and Medical Equipment	340,739,110,941	162,893,188,433	4,626,731,359	--	499,005,568,015
Machinery and Project Equipment	134,559,541,893	18,787,657,088	6,151,600	--	153,341,047,381
Bowling Machinery	14,337,021,968	19,592,707	--	--	14,356,614,675
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
<b>Total Accumulated Depreciation</b>	<b>1,168,091,703,285</b>	<b>299,571,833,583</b>	<b>4,839,466,495</b>	<b>--</b>	<b>1,462,824,070,373</b>
<b>Carrying Value</b>	<b>2,222,377,300,854</b>				<b>2,810,892,282,327</b>
	2012				
	Beginning Balance	Addition	Deduction	Reclassification	Ending Balance
	Rp	Rp	Rp	Rp	Rp
<b>Acquisition Cost</b>					
<b>Direct Ownership</b>					
Land	303,476,462,831	32,009,194,572	--	--	335,485,657,403
Building, Infrastructure and Renovations	639,722,467,352	13,394,850,797	116,409,170,833	175,090,472,621	711,798,619,937
Parks and Interiors	20,850,624,055	6,016,278,833	--	--	26,866,902,888
Golf Course and Club House	169,084,438,910	2,209,452,680	--	--	171,293,891,590
Transportation Equipment and Vehicles	30,384,351,083	6,434,524,398	--	--	36,818,875,481
Furniture, Fixtures and Office Equipment	423,032,955,603	17,023,960,979	13,300,397,426	--	426,756,519,156
Tools and Medical Equipment	524,877,127,570	381,899,939,504	1,210,274,586	--	905,566,792,488
Machinery and Project Equipment	155,551,054,736	60,511,312,302	1,050,630,216	--	215,011,736,822
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	2,602,957,199	--	--	5,738,703,291
	2,284,513,220,093	522,102,471,264	131,970,473,061	175,090,472,621	2,849,735,690,917
<b>Construction in Progress</b>	239,102,987,052	762,074,062,164	--	(460,443,735,994)	540,733,313,222
<b>Total Acquisition Cost</b>	<b>2,523,616,207,145</b>	<b>1,284,176,533,428</b>	<b>131,970,473,061</b>	<b>(285,353,263,373)</b>	<b>3,390,469,004,139</b>

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	2012				Ending Balance Rp
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification 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	967,491,387,814	215,923,862,506	15,323,547,035	--	1,168,091,703,285
<b>Carrying Value</b>	<b>1,556,124,819,331</b>				<b>2,222,377,300,854</b>

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 Rp	2012 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>	<b>270,299,289,249</b>	<b>194,447,402,199</b>

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:

	2013 Rp	2012 Rp
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 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 Balance	Addition	Deduction	Ending 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
<b>Total Acquisition Cost</b>	<b>227,333,178,566</b>	<b>128,354,882,648</b>	<b>--</b>	<b>355,688,061,214</b>
<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
<b>Total Accumulated Impairment and Amortization</b>	<b>12,695,604,458</b>	<b>11,151,483,345</b>	<b>--</b>	<b>23,847,087,803</b>
<b>Carrying Value</b>	<b>214,637,574,108</b>			<b>331,840,973,411</b>

	2012			
	Beginning Balance	Addition	Deduction	Ending 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
<b>Total Acquisition Cost</b>	<b>221,588,150,251</b>	<b>66,745,028,315</b>	<b>61,000,000,000</b>	<b>227,333,178,566</b>
<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
<b>Total Accumulated Impairment and Amortization</b>	<b>11,311,654,399</b>	<b>1,383,950,059</b>	<b>--</b>	<b>12,695,604,458</b>
<b>Carrying Value</b>	<b>210,276,495,852</b>			<b>214,637,574,108</b>

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			2013 Rp	2012 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>			<b>315,991,606,113</b>	<b>199,179,265,418</b>



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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**

	2013 Rp	2012 Rp
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>1,456,429,749,828</b>	<b>1,079,837,163,783</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 sqm	Value Rp	Area sqm	Value 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 Muliasentosa 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 Rp	2012 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 Rp	Subsidiaries Rp	Consolidated Rp	Company Rp	Subsidiaries Rp	Consolidated 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
Deferred 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:

	2013 Rp	2012 Rp
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:

	2013 Rp	2012 Rp
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 Rp	2012 Rp
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	(2,136,306,863,838)	(1,791,034,868,168)
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	(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, 2013 Rp	Charged (Credited) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	December 31, 2013 Rp
<b>The Company</b>				
Amortization of Deferred Income from Sale and Lease Back Transactions	16,327,339,687	(1,825,861,686)	--	14,501,478,001
Estimated Long-term Employee Benefits Liabilities	8,136,790,871	1,067,348,623	--	9,204,139,494
Allowance 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>--</u>	<u>50,363,528,322</u>
<b>Deferred Tax Liabilities</b>	<u>6,653,250,000</u>	<u>--</u>	<u>5,329,854,371</u>	<u>11,983,104,371</u>
	January 1, 2012 Rp	Charged (Credited) to Consolidated Statements of Comprehensive Income Rp	Additions from Business Combination Rp	December 31, 2012 Rp
<b>The Company</b>				
Amortization of Deferred Income from Sale 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>--</u>	<u>76,454,612,653</u>
<b>Deferred Tax Liabilities</b>	<u>--</u>	<u>--</u>	<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**

	2013 Rp	2012 Rp
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**

	2013 Rp	2012 Rp
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 Rp	2012 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 Rp	2012 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 Rp	2012 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
<b>Total</b>	<b>54,753,114,465</b>	<b>65,971,217,886</b>
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**

	2013 Rp	2012 Rp
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:

	2013 Rp	2012 Rp
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:

	2013 Rp	2012 Rp	2011 Rp	2010 Rp	2009 Rp
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:

	2013	2012
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, 0% for ages 45 – 54	1% for ages 18 – 44, 0% for ages 45 – 54

## 24. Advances from Customers

	2013 Rp	2012 Rp
<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:

	2013 Rp	2012 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>5,321,696,260,472</b>	<b>3,993,586,036,719</b>

**25. Deferred Income**

	2013 Rp	2012 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	267,304,407,742	165,709,657,083
Total Deferred Income	828,575,223,458	742,597,920,627
Current Portion	112,750,964,416	79,696,900,858
<b>Non-Current Portion</b>	<b>715,824,259,042</b>	<b>662,901,019,769</b>

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

	2013 Rp	2012 Rp
Acquisition Cost	791,727,059,928	590,890,086,932
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	664,188,293,227	463,351,320,231
Proceeds	2,445,894,179,389	1,714,252,775,595
Less: Gain Credited to the Consolidated 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	(429,935,140,122)	(320,893,545,117)
Deferred Gain on Sale and Leaseback - Net	1,394,097,780,062	943,854,736,127
Current Portion	119,603,248,421	84,727,362,523
<b>Non-Current Portion</b>	<b>1,274,494,531,641</b>	<b>859,127,373,604</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 Shares	Percentage Ownership %	Issued and Fully Paid 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 (shares)	2012 (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 Period	No. Register Letter to Bapepam - LK	Total Shares	Acquisition Cost (Rp)
2011	005/LK-COS/II/2012 Dated November 15, 2011	96,229,500	61,577,515,000
2012	175/LK-COS/VII/2012 Dated July 13, 2012	209,875,000	154,946,598,794
<b>Total</b>		<b>306,104,500</b>	<b>216,524,113,794</b>

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

	2013 Rp
Paid in Capital Excess of Par - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
<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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	Rp
Paid in Capital Excess of Par - Net on Stock on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075
Rights Issue III	
Paid in Capital Excess of Par - Net on Stock on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	1,927,996,868,067
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Paid in Capital Excess of Par - Net on Stock on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	811,394,200,000
<b>Total Paid in Capital Excess of Par - Net</b>	<b>4,043,613,274,615</b>

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

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

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

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

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

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

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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 Rp	2012 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	<u>(237,243,137,226)</u>	<u>(242,888,251,427)</u>
Shares Disposal to Non Controlling Interest		
Purchase Consideration	53,100,000,000	--
Net Assets Disposed	(1,630,631,317)	--
Sub total	<u>51,469,368,683</u>	<u>--</u>
<b>Total</b>	<u><b>(185,773,768,543)</b></u>	<u><b>(242,888,251,427)</b></u>

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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**

	2013 Rp	2012 Rp
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**

	2013 Rp	2012 Rp
<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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## PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2013 and 2012

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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 Rp	2012 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 Darma 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 Rp	2012 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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	2013 Rp	2012 Rp
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	2,503,599,992,916	1,788,082,522,163
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	657,490,552,595	574,508,501,382
Property and Portfolio Management:		
Management Fees	296,796,672,889	249,229,565,717
<b>Total Revenues</b>	<b>6,666,214,436,739</b>	<b>6,160,214,023,204</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**

	2013 Rp	2012 Rp
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	835,621,739,726	1,144,842,225,541
Large Scale Integrated Development:		
Apartments	519,825,454,335	476,952,792,318
Asset Enhancements	15,404,837,946	19,770,548,506
Subtotal	535,230,292,281	496,723,340,824
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	2,795,003,166	8,680,411,417

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	2013 Rp	2012 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 Rp	2012 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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	2013 Rp	2012 Rp
<b>General and Administrative Expenses</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	1,140,775,079,358	889,270,946,959
<b>Total Operating Expenses</b>	<b>1,534,231,202,817</b>	<b>1,343,938,696,897</b>

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

	2013 Rp	2012 Rp
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>(26,711,729,704)</b>	<b>1,632,727,916</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**

	2013 Rp	2012 Rp
<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>585,090,607,595</b>	<b>247,027,452,572</b>

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	2013 Rp	2012 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 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 (Rp billion)	Unrealized Contract Value (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/Sukaesmi 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:

- 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.
- 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.
- 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)						
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Property and Portfolio Management	Hospitality and Infrastructure	Elimination
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Revenues	1,896,918,510	1,122,795,229	201,824,654	2,503,599,993	296,796,673	657,490,553	(13,211,175)
Gross Profit	1,061,296,772	587,564,936	199,029,650	658,697,941	177,131,410	376,133,392	(13,211,175)
Selling Expenses	(179,925,521)	(72,604,598)	(58,412,914)	(25,749,454)	(1,698,380)	(9,086,947)	13,211,175
General and Administrative Expenses	(351,231,316)	(40,952,349)	(12,396,741)	(557,015,511)	(98,940,891)	(139,427,756)	--
Interest Income	67,652,706	6,379,030	1,380,819	12,021,434	5,403,439	879,906	--
Interest Expenses	(79,046,283)	(14,654,324)	(161,888)	(18,945,083)	(4,525,265)	(3,096,221)	--
Other Income (Expenses) - Net	371,678,765	27,511,124	31,516,033	2,751,821	25,591,788	(28,440,906)	--
Share in the Profit of Associates	(16,871,528)	--	--	--	--	25,393,136	--
<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>
Tax Benefit (Expense)							
Current	(179,575,202)	(57,397,141)	(18,407,151)	(24,241,975)	(17,546,085)	(9,080,374)	--
Deferred	(19,947,474)	--	--	2,673,314	(848,426)	(7,968,498)	--
<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>

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	2013 (In Thousand Rupiah)						
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Property and Portfolio Management	Hospitality and Infrastructure	Elimination
	Rp	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	--
Non-Controlling Interest	341,340,142	20,347,168	2,251,680	322,068	(66)	--	--
	<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>
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	--
Investment in Associates	128,842,950	--	--	--	--	1,588,546	--
<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>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>Capital Expenditures</b>	741,426,016	124,066,610	25,681,730	385,554,742	33,516,603	1,040,703	--
<b>Depreciation</b>	42,077,226	5,634,142	1,776,257	202,488,689	34,976,489	1,643,178	--
<b>Non-Cash Expenses Other than Depreciation</b>	22,548,599	35,227	--	35,004,609	26,080,297	2,736,341	--

	2012 (In Thousand Rupiah)						
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Property and Portfolio Management	Hospitality and Infrastructure	Elimination
	Rp	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)
Gross Profit	1,213,412,388	549,433,355	135,311,369	444,814,516	153,809,196	324,175,385	(9,656)
Selling Expenses	(153,493,835)	(224,972,700)	(51,362,440)	(15,969,821)	(1,479,678)	(7,398,932)	9,656
General and Administrative Expenses	(260,251,707)	(35,419,968)	(22,260,886)	(351,893,198)	(79,944,118)	(139,501,070)	--
Interest Income	72,474,141	3,842,961	431,506	3,578,943	310,821	848,440	--
Interest Expenses	(46,482,674)	(12,556,998)	(106,086)	(18,025,499)	(21,371)	(2,661,456)	--
Other Income (Expenses) - Net	75,128,219	(4,589,524)	(17,348,345)	14,516,641	25,433,768	(20,955,370)	--
Share in the Profit of Associates	4,978,020	--	--	--	--	21,284,295	--
<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>
Tax Benefit (Expense)							
Current	(139,821,540)	(53,885,326)	(11,491,416)	(24,117,756)	(15,170,858)	(8,727,992)	--
Deferred	(2,362,669)	--	--	(944,223)	2,312,480	(31,969)	--
<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>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	--
Non-Controlling Interest	243,491,765	9,412,204	988,986	1,498,381	7,233,749	--	--
	<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>
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	--
Investment in Associates	85,780,659	--	--	--	--	2,980	--
<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>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>Capital Expenditures</b>	504,652,574	45,413,343	7,122,278	394,108,464	--	416,374	--
<b>Depreciation</b>	30,435,036	5,636,252	1,226,007	120,307,583	1,383,197	50,288,166	--
<b>Non-Cash Expenses Other than Depreciation</b>	94,742,921	3,096,758	--	21,695,694	--	--	--

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

	2013					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
<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
Total Assets	16,294,786	113,800	34,128,505	23,173	168,145	529,438,124,398
<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
Total Liabilities	654,679,082	--	4,297,302	--	--	8,021,257,754,154
<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					Equivalent in
	USD	JPY	SGD	EUR	AUD	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
Total Assets	9,068,512	113,800	27,803,591	9,836	6,376	630,265,991,911
<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
Total Liabilities	648,276,994	--	2,219,679	--	--	6,286,389,539,791
<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 Relas Supreme Court of Cassation No. 410.K/Pdt/2011.jo No.147/Pdt.G/2009/PN.Jkt.Bar date August 20, 2013, SC revoked the decision of District Court Jakarta Barat No.626/PDT/2009/PT.DKI and that Jakarta Barat District Court has no authority to prosecute and punish the plaintiff to pay the court costs of Rp500,000.

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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### 43. Financial Instruments and Financial Risk Management

The main financial risks faced by the Group are credit risk, foreign exchange rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

#### (i) Credit Risk

Credit risk is the risk that the Group will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Group's financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other accounts receivable and investments. The maximum total credit risks exposure is equal to the amount of the respective accounts.

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

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

	2013					
	Not Yet Due	Overdue			Total	
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss						
Derivative	1,089,358,745,423	--	--	--	--	1,089,358,745,423
Loans and Receivables						
Cash and Cash Equivalents	1,855,051,780,961	--	--	--	--	1,855,051,780,961
Trade Accounts Receivable	342,416,433,304	213,404,687,766	62,040,508,116	203,876,478,031	479,321,673,913	821,738,107,217
Other Current Financial Assets	579,151,927,041	--	--	--	--	579,151,927,041
Due from Related Parties Non-trade	9,737,396,584	--	--	--	--	9,737,396,584
Other Non-Current Financial Assets	460,469,077,258	--	--	--	--	460,469,077,258
Available-for-Sale						
Available-for-Sale Financial Assets	5,168,300,838,797	--	--	--	--	5,168,300,838,797
<b>Total Financial Assets</b>	<b>9,504,486,199,368</b>	<b>213,404,687,766</b>	<b>62,040,508,116</b>	<b>203,876,478,031</b>	<b>479,321,673,913</b>	<b>9,983,807,873,281</b>

	2012					
	Not Yet Due	Overdue			Total	
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss						
Derivative	101,878,348,847	--	--	--	--	101,878,348,847
Loans and Receivables						
Cash and Cash Equivalents	3,337,357,407,919	--	--	--	--	3,337,357,407,919
Trade Accounts Receivable	274,382,513,505	180,003,365,507	64,597,353,595	121,857,556,627	366,458,275,729	640,840,789,234
Other Current Financial Assets	342,988,169,824	--	--	--	--	342,988,169,824
Due from Related Parties Non-trade	11,460,650,042	--	--	--	--	11,460,650,042
Other Non-Current Financial Assets	344,302,236,769	--	--	--	--	344,302,236,769
Available-for-Sale						
Available-for-Sale Financial Assets	4,216,898,495,936	--	--	--	--	4,216,898,495,936
<b>Total Financial Assets</b>	<b>8,629,267,822,842</b>	<b>180,003,365,507</b>	<b>64,597,353,595</b>	<b>121,857,556,627</b>	<b>366,458,275,729</b>	<b>8,995,726,098,571</b>

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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 Rupiah
	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	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 Rupiah
	USD	JPY	SGD	EUR	AUD	
<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				
	Will Due On			Maturity not Determined Rp	Total Rp
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years 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				
	Will Due On			Maturity not Determined Rp	Total Rp
	Less Than 1 Year Rp	1 - 5 Years Rp	More than 5 Years 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 Rp	Fair Value Rp	Carrying Value Rp	Fair Value 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 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Fair value through profit or loss - Derivative	1,089,358,745,423	--	1,089,358,745,423	--
Available-for-Sale				
Other Current Financial Assets	5,109,971,815,786	5,109,971,815,786	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011
	2012 Rp	Level 1 Rp	Level 2 Rp	Level 3 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:

	<b>Rp</b>
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
Deferred 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)
Deferred Tax Liabilities	(8,220,363,189)
Current Portion of Long-term Debt	(137,832,101,689)
Deferred 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>79,127,717,832</b>
Proportion Acquired	80%
Share of Fair Value of Net Assets	63,302,174,266
Goodwill	126,297,825,734
<b>Total Purchase Consideration</b>	<b>189,600,000,000</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:

	<b>Rp</b>
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>96,860,000,000</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>106,369,000,000</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.

*These consolidated financial statements are originally issued in Indonesian language*

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

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

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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  
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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:

	<b>Rp</b>
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>61,876,192,463</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>58,752,000,000</b>

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



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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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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.



Annual Report Lippo Karawaci

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