PT SUMMARECON AGUNG TBK AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2019
AND FOR THE THREE-MONTHS PERIOD THEN ENDED

Table of Contents

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2019 (unaudited)	December 31, 2018
ASSETS			
CURRENT ASSET			
Cash and cash equivalents	2d,2r,2u,4	1,504,791,125	1,533,562,079
Trade receivable	2l,2u,5,12		
Related Parties	2f,30	43,323,177	51,232,423
Third Parties		325,430,521	342,635,716
Others receivables	2u	108,057,585	17,837,038
Due from related parties	2f,2u,30	44,561,189	43,169,875
Inventories	2g,2m,2n,6	8,377,935,823	7,890,253,215
Prepaid taxes	2t,17a	270,799,866	252,831,843
Prepaid expenses	2h	33,109,049	29,083,035
Advance payments	8	351,002,230	347,100,725
Other current financial assets	2u,11	314,585	60,013
Other current assets		43,164	43,164
Total current assets		**11,059,368,314**	**10,507,809,126**
NON-CURRENT ASSETS			
Trade receivables	2l,2u,5,12		
Related Parties	2f,30	1,707,578	4,268,941
Third Parties		47,751,672	46,844,718
Due from related parties	2f,2u,30	30,943,105	30,988,752
Undeveloped land	2i,7,12,13	6,448,365,594	6,435,862,052
Investment in associates	1e,2z	58,099,368	5,754,948
Advance payments	8	653,255,089	627,225,107
Fixed assets	2j,2n,9,12	373,527,528	376,728,691
Investment properties	2k,2l,2n, 10,12,13	4,358,081,906	4,385,918,890
Deferred tax assets	2t	605,269	605,798
Other non-current financial assets	2d,2e,2u,11,12	729,121,386	701,497,350
Other non-current assets		156,227,813	175,737,695
Total non-current assets		**12,857,686,308**	**12,791,432,942**
TOTAL ASSETS		**23,917,054,622**	**23,299,242,068**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As of March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2019 (unaudited)	December 31, 2018
LIABILITIES & EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	2r,2u,12,31	1,766,710,073	1,782,154,804
Trade payables to third parties	2r,2u,14,31	63,179,411	76,740,768
Other payables	2r,2u,15	261,906,518	261,345,102
Due to related parties	2f,2u,30	1,551,784	1,540,354
Accrued expenses	2r,2u,16,31	1,231,438,498	1,026,275,642
Taxes payable	2t,17b	53,805,611	61,282,470
Liability for short-term employee benefits	2q,2u,18	20,368,939	17,480,794
Downpayments received and security deposits	2l,2u,19		
Related parties	2f,30	4,147,721	4,512,936
Third parties		1,350,750,114	1,632,545,643
Unearned revenues	2l,2p,20		
Related parties		2,022	-
Third parties		447,885,528	435,221,014
Current maturities of long-term debts - net:	2u,12		
Loans from banks and financing institutions	2r,31	1,299,242,900	833,070,713
Bonds payable and sukuk ijarah	2u,2y,13	1,098,924,757	1,098,443,190
Total current liabilities		**7,599,913,876**	**7,230,613,430**
NON-CURRENT LIABILITIES			
Long-term debts - net of current maturities:	2u,12		
Loans from banks and financing institutions	2r,31	2,613,261,624	3,191,392,773
Bonds payable and sukuk ijarah	2u,2y,13	1,702,917,920	1,701,539,899
Other payables	2u,15	11,033,504	11,033,504
Liability for long-term employee benefits	2q,18	123,334,510	128,017,375
Downpayments received and security deposits	2l,2u,19		
Related parties	2f,30	8,518,251	7,796,159
Third parties		2,630,158,622	1,904,111,709
Unearned revenues	2l,2p,20	60,158,076	53,034,649
Other non-current financial liabilities	2u	7,842,450	7,842,450
Deferred tax liabilities	2t	3,048,804	3,155,555
Total non-current liabilities		**7,160,273,761**	**7,007,924,073**
TOTAL LIABILITIES		**14,760,187,637**	**14,238,537,503**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As of March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2018 (unaudited)	December 31, 2018
EQUITY			
Equity atrributable to Owners of the Parent Entity			
Capital stock:			
- Authorized - 25.000.000.000 share at par value Rp100 per share (full amount)			
- Issued and fully paid - 14.426.781.680 shares	1b,22	1,442,678,168	1,442,678,168
Additional paid-in capital	1b,2o,2x,23	22,996,315	22,996,315
Differences from transactions with Non-controlling interests	2c	1,557,398	1,557,398
Retained earnings:			
Appropriated	24	104,451,832	104,451,832
Unappropriated		5,377,188,206	5,331,907,420
Total Equity Attributable to:			
Owners Of the Parent Entity		6,948,871,919	6,903,591,133
Non-controlling interests	2c,21	2,207,995,066	2,157,113,432
TOTAL EQUITY		**9,156,866,985**	**9,060,704,565**
TOTAL LIABILITIES AND EQUITY		**23,917,054,622**	**23,299,242,068**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Three-Months Period Ended March 31, 2019 (Unaudited)
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2019 (unaudited)	March 31, 2018 (unaudited)
NET REVENUES	2f,2p,26,30	1,060,684,327	1,197,402,551
COST OF SALES AND DIRECT COSTS	2p,27	(484,494,745)	(660,172,912)
GROSS PROFIT		**576,189,582**	**537,229,639**
Selling expenses	2p,28	(75,329,290)	(59,682,340)
General and administrative expenses	2p,28	(189,861,097)	(187,543,483)
Other operating income		1,632,661	1,371,203
Other operating expenses		(238,523)	(159,842)
INCOME FROM OPERATIONS		**312,393,333**	**291,215,177**
Finance income		29,050,121	14,782,915
Finance cost	29	(190,578,599)	(164,849,838)
Equity in net income of associates	2z	2,344,412	-
PROFIT BEFORE FINAL TAX AND INCOME TAX EXPENSE		**153,209,267**	**141,148,254**
FINAL TAX EXPENSE	2t	(49,032,536)	(55,994,818)
PROFIT BEFORE INCOME TAX EXPENSE		**104,176,731**	**85,153,436**
INCOME TAX EXPENSE - NET	2t	(1,051,819)	-
PROFIT FOR THE PERIOD		**103,124,912**	**85,153,436**
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that will not be reclassified to profit or loss in subsequent periods: Gain (loss) on employee benefits liability		3,027,212	(5,699,289)
Deferred income tax		8,413	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**106,160,537**	**79,454,147**
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Parent Entity		42,245,161	41,839,186
Non-controlling Interests	2c,21	60,879,751	43,314,250
TOTAL		**103,124,912**	**85,153,436**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (Continued)
For the Three-Months Period Ended March 31, 2019 (Unaudited)
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	March 31, 2019 (unaudited)	March 31, 2018 (unaudited)
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Entity		45,280,786	36,139,897
Non-controlling Interests	2c,21	60,879,751	43,314,250
TOTAL		**106,160,537**	**79,454,147**
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY (full amount)	2v,22,35	**3**	**3**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Three-Months Period Ended March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,357,313**	**4,943,312,285**	**6,509,901,479**	**1,843,840,584**	**8,353,742,063**
Appropriation for general reserve	24	-	-	-	5,094,519	(5,094,519)	-	-	-
Cash dividend	25	-	-	-	-	(72,133,908)	(72,133,908)	-	(72,133,908)
Total comprehensive income for the year		-	-	-	-	465,887,534	465,887,534	241,914,103	707,801,637
Payments to Non-controlling interest in subsidiaries	21	-	-	-	-	-	-	(79,450,000)	(79,450,000)
Sold its ownership in indirect subsidiary with loss of control effect		-	-	-	-	(63,972)	(63,972)	(6,481,255)	(6,545,227)
Capital stock increase paid by Non-controlling interests	21	-	-	-	-	-	-	169,050,000	169,050,000
Capital reduction in indirect subsidiaries	21	-	-	-	-	-	-	(11,760,000)	(11,760,000)
Balance as of December 31, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**104,451,832**	**5,331,907,420**	**6,903,591,133**	**2,157,113,432**	**9,060,704,565**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the Three-Months Period Ended March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,357,313**	**4,943,312,285**	**6,509,901,479**	**1,843,840,584**	**8,353,742,063**
Payment to non-controlling interest in subsidiaries		-	-	-	-	-	-	(79,450,000)	(79,450,000)
Total comprehensive income for the period		-	-	-	-	36,139,897	36,139,897	43,314,250	79,454,147
Balance as of March 31, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,357,313**	**4,979,452,182**	**6,546,041,376**	**1,807,704,834**	**8,353,746,210**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the Three-Months Period Ended March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2019		**1,442,678,168**	**22,996,315**	**1,557,398**	**104,451,832**	**5,331,907,420**	**6,903,591,133**	**2,157,113,432**	**9,060,704,565**
Payment to non-controlling interest in subsidiaries		-	-	-	-	-	-	(101,000,000)	(101,000,000)
Capital contributions paid by non-controlling interests in subsidiaries		-	-	-	-	-	-	91,001,883	91,001,883
Total comprehensive income for the period		-	-	-	-	45,280,786	45,280,786	60,879,751	106,160,537
Balance as of March 31, 2019		**1,442,678,168**	**22,996,315**	**1,557,398**	**104,451,832**	**5,377,188,206**	**6,948,871,919**	**2,207,995,066**	**9,156,866,985**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three-Months Period Ended March 31, 2019
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	For the Three-months Period Ended March 31, 2019 (unaudited)	For the Three-months Period Ended March 31, 2018 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		1,540,729,128	1,397,846,053
Receipts of interest income		28,013,913	14,777,951
Cash payments to:			
Suppliers and for other operating expenses		(867,353,108)	(904,183,006)
Employees		(145,400,487)	(125,846,579)
Payments of:			
Interest expense		(211,785,184)	(168,530,632)
Final tax		(68,207,003)	(64,285,408)
Income taxes		(618,639)	(1,941,585)
Net cash provided by operating activities		**275,378,620**	**147,836,794**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets and investment properties		(40,806,589)	(27,537,346)
Acqusitions of undeveloped land		(39,131,403)	(113,052,149)
Payment of due from related parties		(1,345,667)	(1,360,721)
Payment of advance for investment		(100,000)	-
Proceeds from sales of fixed assets and investment properties	9,10	363,186	417,132
Net cash used in investing activities		**(81,020,473)**	**(141,533,084)**
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of bank loans and financing institutions	12	(739,519,778)	(541,933,899)
Payment to non-controlling interests		(101,000,000)	(79,450,000)
Proceeds of bank loans		611,377,336	542,523,788
Drawdown of (placement for) restricted time deposits		6,001,911	5,054,134
Receipt (payment) of due to related parties		11,430	(25,000,000)
Net cash provided by (used in) financing activities		**(223,129,101)**	**(98,805,977)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(28,770,954)**	**(92,502,267)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	1,533,562,079	1,482,320,678
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	**1,504,791,125**	**1,389,818,411**

1. GENERAL

a. The Company's Establishment

PT Summarecon Agung Tbk (the "Company") was established within the framework of the Domestic Capital Investment Law based on notarial deed No. 308 dated November 26, 1975 of Ridwan Suselo, S.H. The Company's articles of association was approved by the Ministry of Justice in its Decision Letter No. YA 5/344/6 dated July 12, 1977 and was published in the State Gazette Republic of Indonesia No. 79, dated October 4, 1977, Supplement No. 597. The article of association has been amended several times, the latest amendment of which was notarized under deed No. 16 dated June 7, 2018 of Fathiah Helmi, S.H., concerning the changes of the Company's articles of association in compliance with Indonesian Financial Service Authority No. 32/POJK.04/2014 and promoting new Directors and approving the remaining tenure of Directors who has been changed. The amendment was acknowledged and recorded by the Ministry of Law and Human Rights of the Republic of Indonesia ("MLHR") in its Decision Letter No. AHU-AH.01.11-0085165 tanggal 3 Juli 2018

According to Article 3 of the Company's articles of association, its scope of activities comprises real estate development including the related supporting facilities, service and trading, Currently, the Company carries business in the sale or rental of real estate, shopping centers, and office facilities along with related facilities and infrastructures.

The Company is domiciled in East Jakarta, and its head office is located in Plaza Summarecon, Jl. Perintis Kemerdekaan No. 42, Jakarta.

The Company started commercial operations in 1976.

PT Semarop Agung is the ultimate parent entity of the Company and its subsidiaries (hereafter collectively referred to as the "Group").

b. The Company's Public Offerings

The Chairman of the Capital Market and Financial Institutions Supervisory Agency ("BAPEPAM-LK"), through his letter No. SI-085/SHM/MK,10/1990 dated March 1, 1990, declared effective at that date, the offering of 6,667,000 Company's shares with a par value of Rp1,000 (full amount) per share to the public at an offering price of Rp6,800 (full amount) per share. The Company listed all its issued shares on the Jakarta Stock Exchange on August 14, 1996.

Based on the minutes of the stockholders' extraordinary general meeting ("EGM") which were notarized under deed No. 1 dated July 1, 1996 of Sutjipto, S.H., the stockholders approved the reduction in the par value of the Company's shares from Rp1,000 (full amount) to Rp500 (full amount) per share, The amendment was acknowledged and recorded by the Ministry of Justice in its Decision Letter No. C2.9225.HT.01.04.TH.96 dated September 27, 1996.

Based on the minutes of the EGM which were notarized under deed No. 100 dated September 21, 2002 of Sutjipto, S.H., the stockholders approved the reduction in the par value of the Company's shares from Rp500 (full amount) to Rp100 (full amount) per share. The amendment was acknowledged and recorded by the MLHR in its Decision Letter No. C-12844 HT.01.04.TH.2002 dated July 12, 2002.

In 2005, the Company issued additional 93,676,000 shares with a par value of Rp100 (full amount) per share which were issued for and fully paid by Valence Asset Limited, British Virgin Islands, at an offering price of Rp775 (full amount) per share, The Company listed all the additional shares issued on the Jakarta Stock Exchange on November 17, 2005, This increase in the issued and fully paid capital stock was made under BAPEPAM-LK Regulation No. IX.D.4., Attachment to the Chairman of BAPEPAM-LK Decision No. Kep-44/PM/1998 dated August 14, 1998 regarding additional shares issuance without pre-emptive rights.

In 2006, the Company distributed 786,881,920 bonus shares with a par value of Rp100 (full amount) per share.

On August 28, 2007, the Company's Registration Statement to offer its First Limited Public Offering of Rights to the Stockholders with the Issuance of Pre emptive Rights, totaling 459,014,453 new shares and a maximum of 229,507,226 Series I Warrants was declared effective. The Company listed all such new shares on the Indonesia Stock Exchange.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

a. **GENERAL (CONTINUED)**

b. The Company's Public Offerings (continued)

In June 2008, the Company distributed 3,217,893,796 bonus shares with a par value of Rp100 (full amount) per share. A total of 436,340,202 and 1,013,046 Series I Warrants were exercised in September 2010 and December 2009, respectively.

In 2012, the Company issued 340,250,000 new shares with a nominal value of Rp100 (full amount) per share through the issuance of capital stock without pre-emptive rights phase I with minimum exercise price of Rp1,550 (full amount) per share, increasing the Company's issued and fully paid capital stock from 6,873,140,840 shares to 7,213,390,840 shares.

Based on the minutes of the EGM held on September 5, 2013 which were covered by notarial deed No. 21 of Fathiah Helmi, S.H., the stockholders approved the distribution of bonus shares through the capitalization of additional paid-in capital amounting to Rp721,339,084 whereby each outstanding share received 1 bonus share. As a result, the issued and fully paid capital stock increased from Rp721,339,084 to become Rp1,442,678,168. The distribution of the bonus shares was conducted on July 15, 2013.

c. Board of Commissioners, Directors, Audit Committee and Employees

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2019 and December 31, 2018 was as follows:

Board of Commissioners			Board of Directors		
President Commissioners	:	Soetjipto Nagaria	President Director	:	Adrianto Pitoyo Adhi
Commissioners	:	Harto Djojo Nagaria	Director	:	Liliawati Rahardjo
Independent Commissioner	:	H. Edi Darnadi	Director	:	Soegianto Nagaria
Independent Commissioner	:	Esther Melyani Homan	Director	:	Herman Nagaria
			Director	:	Lydia Tjio
			Director	:	Nanik Widjaja
			Director	:	Sharif Benyamin
			Unaffiliated Director	:	Jason Lim

The composition of the Company's Audit Committee as of March 31, 2019 and December 31, 2018 was as follows:

Chairman	:	Esther Melyani Homan
Member	:	Leo Andi Mancianno
Member	:	Neneng Martini

Salaries and others allowances for Board of Commissioners and Directors were as follows Rp6,932,083 and Rp7,788,108 for the three-months period ended March 31, 2019 and 2018.

The Group had 2,596 and 2,480 permanent employees as of March 31, 2019 and December 31, 2018.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

b. **GENERAL (CONTINUED)**

d. Structure of the Company's Subsidiaries

As of March 31, 2019 and December 31, 2018, The Company had direct and indirect ownership in the following Subsidiaries:

Name of Subsidiaries	Domicile	Principal Activity	Start of Operations	Percentage of Ownership (%) March 31, 2019	Percentage of Ownership (%) December 31, 2018	Total Assets Before Elimination March 31, 2019	Total Assets Before Elimination December 31, 2018
Direct Subsidiaries							
PT Bahagia Makmursejati (BHMS)	Jakarta	Property Development	2003	99.99	99.99	18,532,288	18,519,333
PT Serpong Cipta Kreasi (SPCK)	Tangerang	Property Development	2004	100.00	100.00	6,746,162,930	6,537,730,986
PT Anugerah Damai Abadi (AGDA)	Tangerang	Retail Food and Beverages	2007	100.00	100.00	5,964,836	7,044,272
PT Gading Orchard (GDOR)	Jakarta	Property Development	2008	100.00	100.00	43,562,512	41,333,535
PT Summarecon Property Development (SMPD)	Jakarta	Property Development	2012	100.00	100.00	8,427,972,187	8,182,025,889
PT Summarecon Investment Property (SMIP)	Jakarta	Investment Property	2012	100.00	100.00	4,349,645,685	4,349,966,477
PT Multi Abadi Prima (MTAP)	Jakarta	Gas Station	2013	100.00	100.00	11,222,431	11,395,360
PT Bhakti Karya Sejahtera (BTKS)	Jakarta	Education	2013	100.00	100.00	83,243,585	84,022,752
PT Citra Damai Agung (CTDA)	Jakarta	Property Development	2014	100.00	100.00	14,992,293	14,967,634
PT Bhakti Karya Bangsa (BTKB)	Tangerang	Education	2016	80.00	80.00	32,700,072	32,519,014
PT Sagraha Mitraloka Elok (SGME)	Jakarta	Trading	2017	100.00	100.00	23,771,274	23,343,523
PT Java Investama Properti (JVIP)	Jakarta	Investment Property	-	100.00	100.00	15,091,267	15,091,272
PT Setia Mitra Intifajar (SMIF)	Jakarta	Property Development	-	100.00	100.00	13,438,497	9,421,880
Indirect Subsidiaries through SMPD							
PT Eskage Tatanan Kota (EKTK)	Jakarta	Town Management	2009	100.00	100.00	3,994,886	4,172,907
PT Bekasi Tatanan Kota (BKTK)	Bekasi	Town Management	2012	100.00	100.00	22,500,251	20,615,513
PT Mahkota Permata Perdana (MKPP)	Bandung	Property Development	2015	100.00	100.00	3,922,995,790	3,809,991,661
PT Sinergi Mutiara Cemerlang (SGMC)	Makassar	Property Development	2018	53.94	53.94	767,521,266	740,204,245
PT Bandung Tatanan Kota (BDTK)	Bandung	Town Management	2018	100.00	100.00	2,086,852	2,191,180
PT Karawang Tatanan Kota (KRTK)	Karawang	Town Management	2018	100.00	-	2,807,535	2,811,732
PT Maju Lestari Properti (MJLP)	Jakarta	Property Development	-	100.00	100.00	35,361,983	36,132,831
PT Inovasi Jaya Properti (IVJP)	Jakarta	Property Development	-	100.00	100.00	1,214,482,404	1,218,618,890
PT Mahkota Intan Cemerlang (MKIC)	Jakarta	Property Development	-	100.00	100.00	262,140,237	266,945,013
PT Banyumas Eka Mandiri (BYEM)	Jakarta	Property Development	-	100.00	100.00	169,577,028	173,747,591
PT Aruna Cahaya Abadi (ARCA)	Jakarta	Property Development	-	100.00	100.00	26,447,968	26,590,228

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

d. Structure of the Company's Subsidiaries (continued)

As of March 31, 2019 and December 31, 2018, The Company had direct and indirect ownership in the following Subsidiaries:

Name of Subsidiaries	Domicile	Principal Activity	Start of Operations	Percentage of Ownership (%) March 31, 2019	Percentage of Ownership (%) December 31, 2018	Total Assets Before Elimination March 31, 2019	Total Assets Before Elimination December 31, 2018
PT Selaras Maju Mandiri (SLMM)	Jakarta	Property Development	-	100.00	100.00	1,179,032,213	1,141,800,729
PT Orient City (ORCT)	Jakarta	Property Development	-	100.00	100.00	1,646,624	1,754,140
PT Bumi Perintis Asri (BMPA)	Tangerang	Property Development	-	100.00	100.00	22,601,249	22,581,478
PT Duta Sumara Abadi (DTSA)	Jakarta	Property Development	-	51.00	51.00	394,808,985	395,509,722
PT Sinar Mahakam Indah (SNMI)	Samarinda	Property Development	-	88.31	88.31	44,331,835	44,235,206
PT Sinar Semesta Indah (SNSI)	Tangerang	Property Development	-	100.00	100.00	744,375	747,102
PT Wahyu Kurnia Sejahtera (WYKS)	Jakarta	Property Development	-	100.00	100.00	67,292,432	70,636,627
PT Kahuripan Jaya Mandiri (KHJM)	Jakarta	Property Development	-	51.00	51.00	26,320,322	26,393,790
PT Gunung Suwarna Abadi (GNSA)	Jakarta	Property Development	-	51.00	51.00	206,743,101	208,991,916
PT Taruna Maju Berkarya (TRMB)	Jakarta	Property Development	-	100.00	100.00	4,004,071	3,957,080
PT Gunung Srimala Permai (GNSP)	Jakarta	Property Development	-	51.00	51.00	191,204,976	190,888,289
PT Sunda Besar Properti (SDBP)	Bandung	Property Development	-	100.00	100.00	1,210,630	1,194,606
PT Maju Singa Parahyangan (MJSP)	Bandung	Property Development	-	100.00	100.00	1,210,713	1,194,613
PT Surya Mentari Diptamas (SYMD)	Jakarta	Property Development	-	51.00	51.00	3,057,280	3,019,994
PT Surya Menata Elokjaya (SYME)	Jakarta	Property Development	-	100.00	100.00	3,252,078	3,222,739
PT Kencana Jayaproperti Agung (KCJA)	Jakarta	Property Development	-	51.00	51.00	429,315,292	418,495,159
PT Kencana Jayaproperti Mulia (KCJM)	Jakarta	Property Development	-	51.00	51.00	188,176,217	188,558,808
PT Sukmabumi Mahakam Jaya (SBMJ)	Jakarta	Property Development	-	100.00	100.00	1,029,290	1,019,000
PT Bintang Mentari Indah (BNMI)	Maros	Property Development	-	100.00	100.00	256,135,114	256,266,091
PT Summa Sinar Fajar (SMSF)	Bekasi	Property Development	-	51,00	51.00	182,370,292	183,631,324
PT Summatoyo Talaga Harmoni (SMTH)	Karawang	Property Development	-	51,00	-	185,718,129	-

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

d. Structure of the Company's Subsidiaries (continued)

As of March 31, 2019 and December 31, 2018, The Company had direct and indirect ownership in the following Subsidiaries: (continued)

Name of Subsidiaries	Domicile	Principal Activity	Start of Operations	Percentage of Ownership (%) March 31, 2019	Percentage of Ownership (%) December 31, 2018	Total Assets Before Elimination March 31, 2019	Total Assets Before Elimination December 31, 2018
Indirect Subsidiaries through SMIP							
PT Lestari Mahadibya (LTMD)	Tangerang	Investment Property	2006	100.00	100.00	1,094,119,838	1,099,443,840
PT Summerville Property Management (SVPM)	Jakarta	Property Management	2007	100.00	100.00	5,109,395	4,767,405
PT Summarecon Hotelindo (SMHO)	Jakarta	Hotel	2010	100.00	100.00	119,028,703	123,246,617
PT Makmur Orient Jaya (MKOJ)	Bekasi	Investment Property	2013	100.00	100.00	914,148,758	890,412,325
PT Kharisma Intan Properti (KRIP)	Tangerang	Investment Property	2013	100.00	100.00	198,382,194	198,658,308
PT Dunia Makmur Properti (DNMP)	Jakarta	Investment Property	2015	100.00	100.00	115,159,065	115,821,642
PT Summarecon Bali Indah (SMBI)	Jakarta	Investment Property	2016	100.00	100.00	1,280,517,783	1,299,521,832
PT Permata Jimbaran Agung (PMJA)	Badung	Investment Property	2016	59.40	59.40	787,609,001	806,439,501
PT Pradana Jaya Berniaga (PDJB)	Badung	Retail, Food & Beverages	2016	100.00	100.00	4,984,580	5,061,277
PT Hotelindo Permata Jimbaran (HOPJ)	Badung	Hotel	2017	59.40	59.40	288,686,256	303,970,330
PT Seruni Persada Indah (SRPI)	Jakarta	Investment Property	-	100.00	100.00	1,159,172	1,143,159
PT Bali Indah Development (BLID)	Badung	Investment Property	-	100.00	100.00	151,488,657	155,834,812
PT Bali Indah Property (BLIP)	Badung	Investment Property	-	100.00	100.00	3,756,311	3,756,395
PT Bukit Jimbaran Indah (BKJI)	Badung	Property Development	-	100.00	100.00	667,638	658,079
PT Bukit Permai Properti (BKPP)	Badung	Property Development	-	100.00	100.00	484,906,316	484,951,492
PT Nirwana Jaya Semesta (NWJS)	Jakarta	Hotel	-	100.00	100.00	13,336,333	13,324,209
PT Sadhana Bumi Jayamas (SDBJ)	Jakarta	Investment Property	-	100.00	100.00	84,053,405	83,109,461
PT Unota Persadajaya (UNPS)	Jakarta	Investment Property	-	100.00	100.00	145,089,658	145,195,510
PT Java Orient Properti (JVOP)	Yogyakarta	Hotel	-	90.00	90.00	151,176,205	151,435,916
PT Mahakarya Buana Damai (MKBD)	Bandung	Investment Property	-	100.00	100.00	184,111,602	179,430,758
PT Hotelindo Saribuana Damai (HSBD)	Bandung	Hotel	-	100.00	100.00	239,570	240,887
PT Hotelindo Java Properti (HIJP)	Yogyakarta	Hotel	-	100.00	100.00	233,256	236,094
PT Hotelindo Cahaya Gemilang (HICG)	Jakarta	Hotel	-	100.00	100.00	239,963	241,094
PT Maha Karya Reksawarga (MKRW)	Karawang	Investment Property	-	100.00	100.00	42,954,116	42,957,119

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

1. GENERAL (CONTINUED)

d. Structure of the Company's Subsidiaries (continued)

As of March 31, 2019 and December 31, 2018, The Company had direct and indirect ownership in the following Subsidiaries: (continued)

				Percentage of Ownership (%)		Total Asset Before Elimination	
Name of Subsidiaries	**Domicile**	**Principal Activity**	**Start of Operations**	**March 31, 2019**	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
Indirect Subsidiaries through SPCK							
PT Serpong Tatanan Kota (STTK)	Tangerang	Town Management	2010	100.00	100.00	65,147,004	66,589,674
PT Bhakti Karya Vita (BTKV)	Tangerang	Hospital	2011	40.00	40.00	-	-
PT Jaya Bangun Abadi (JYBA)	Tangerang	Property Development	-	100.00	100.00	90,337,440	90,353,446
PT Permata Cahaya Cemerlang (PMCC)	Tangerang	Property Development	-	100.00	100.00	328,045,096	328,309,137
PT Surya Intan Properti (SYIP)	Tangerang	Property Development	-	100.00	100.00	153,663,678	153,379,399
PT Mahkota Berlian Indah (MKBI)	Tangerang	Property Development	-	100.00	100.00	89,582,408	90,457,388
PT Mahkota Permata Indah (MKPI)	Tangerang	Property Development	-	100.00	100.00	83,715,322	83,221,211
Indirect Subsidiaries through SMIF							
PT Jejaring Ultra Prima (JJUP)	Jakarta	Infrastructure Development	-	100.00	100.00	13,406,826	9,382,070

*In 2018, SPCK, direct subsidiary, has sold part of its ownership in BTKV; therefore, the Company has lost controlling interests. This transaction was recorded as part of investment in associates.

In 2019, the Company established new Subsidiaries, which is PT Sumatoyo Talaga Harmoni (SMTH).

As of March 31, 2019, JVIP, SMIF, MJLP, IVJP, MKIC, BYEM, ARCA, SLMM, ORCT, BMPA, DTSA, SNMI, SNSI, WYKS, KHJM, GNSA, TRMB, GNSP, SDBP, MJSP, SYMD, SYME, KCJA, KCJM, SBMJ, BNMI, SMSF, SMTH, SRPI, BLID, BLIP, BKJI, BKPP, NWJS, SDBJ, UNPS, JVOP, MKBD, HSBD, HIJP, HICG, MKRW, JYBA, PMCC, SYIP, MKBI, MKPI and JJUP have not started commercial operations.

e. Sales of Investment in Subsidiary

On December 5, 2018, SPCK sold its ownership in BTKV totalling to 14,000 shares with selling price of Rp1,000,000 (full amount) per share to PT Berkat Vita Kasih, third party, with total cost amounting to Rp14,000,000, whereby its fair value is Rp13,770,000 based on appraisal report Felix Sutandar & Rekan No. FSR/SV-FS/060353/2018 dated June 25, 2018. The resulting difference between selling price and net book value amounting to Rp10,327,604 was recorded as gain on sale of investment in subsidiary in the consolidated statements of profit or loss and other comprehensive income. The sale was notarized under deed No. 10 dated December 5, 2018 of Dewi Himijati Tandika S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0002586 and AHU-AH.01.03-0002596 dated January 3, 2019.

After the date of transaction, SPCK's ownership in BTKV reduced from 60% to 40% of ownership, since the Group lost its control in BTKV, the Group ceased to consolidate the financial statements of BTKV into the Group's consolidated financial statements.Therefore, the retained investment in BTKV is recognized at its fair value at the date when control is lost which is presented as "Investment in associates" in the consolidated statement of financial position.

On December 7, 2018, the Company submitted letter No. 0381/XII/DIR/SMRA/18 for the compliance disclosure of information to Indonesian Financial Service Authority, in accordance with BAPEPAM-LK No. Kep-614/DL/2011.

1. GENERAL (CONTINUED)

f. Approval and authorization for the issuance of consolidated financial statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, which were completed and authorized for issuance by the Board of Directors of the Company on April 29, 2018, as previously reviewed and recommended for authorization by the Audit Committee of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations to Financial Accounting Standards ("ISAK") issued by the Financial Accounting Board of the Indonesian Institute of Accountants and Rule No. VIII.G.7 Attachment of Chairman of OJK's decision No. KEP-347/BL/2012 dated June 15, 2012 on the Regulations and Guidelines on Financial Statement Presentation and Disclosures issued by OJK. These policies have been consistently applied to all years presented, unless otherwise stated.

The consolidated financial statements have been prepared in accordance with PSAK No. 1: Presentation of Financial Statements. The consolidated financial statements, except consolidated statement of cash flows, have been prepared on the accrual basis, using the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies for those accounts.

The consolidated statement of cash flows, which have been prepared using the direct method, present receipts and disbursements of cash and cash equivalents classified into operating, investing and financing activities.

annual financial reporting period of the Group is January 1 - December 31.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian rupiah (Rp), which is also the functional currency of the Group.

b. Changes in accounting policies

The following are several accounting standards including amendment issued by the DSAK that are considered relevant to the financial reporting of the Group but not yet effective until January 1, 2019:

- PSAK No. 71: Financial Instruments, adopted from IFRS 9, effective January 1, 2020 with earlier application is permitted. This PSAK provides for classification and measurement of financial instruments based on the characteristics of contractual cash flows and business model of the entity; expected credit loss impairment model that resulting information more timely, relevant and understandable to users of financial statements; accounting for hedging that reflect the entity's risk management better by introduce a more general requirements based on management's judgment.

- PSAK No. 72: Revenue from Contracts with Customers, adopted from IFRS 15, effective January 1, 2020 with earlier application is permitted. This PSAK, a single standards that is a joint project between the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB), provides revenue recognition from contracts with customers, and the entity is expected to analyze contracts before recognizing the revenue.

- PSAK No. 73: Leases, adopted from IFRS 16, effective January 1, 2020 with earlier application is permitted, but not before an entity applies PSAK 72: Revenue from Contracts with Customers. This PSAK establishes the principles of recognition, measurement, presentation, and disclosure of the lease by introducing a single accounting model, with the requirement to recognize the right-of-use assets and liability of the lease; there are 2 optional exclusions in the recognition of the lease assets and liabilities: (i) short-term lease and (ii) lease with low-value underlying assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Changes in accounting policies

The following are several accounting standards including amendment issued by the DSAK that are considered relevant to the financial reporting of the Group but not yet effective until January 1, 2019: (continued)

- Amendments to PSAK No. 15 - Investments in Joint Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures, effective January 1, 2020 with earlier application is permitted. These amendments provide that the entity also applies PSAK No. 71 on the financial instruments to associates or joint ventures where the equity method is not applied. This includes long-term interests that substantively form the entity's net investment in an associates or joint ventures.

- Amendments to PSAK No. 62: Insurance Contract on Applying PSAK No. 71 Financial Instruments with PSAK 62 Insurance Contract, effective January 1, 2020. These amendments allow those who meet certain criteria to apply a temporary exclusion of PSAK No. 71 (deferral approach) or choose to implement overlay approach for financial assets designated.

- Amendments to PSAK No. 71 - Financial Instruments: Prepayment Features with Negative Compensation, effective January 1, 2020 with earlier application is permitted. These amendments provide that a financial asset with prepayment features that may result in negative compensation qualifies as a contractual cash flow derived solely from the principal and interest of the principal amount owed.

- ISAK No. 33 - Foreign currency Transaction and Advance Consideration, effective January 1, 2019 with earlier application is permitted. These amendments clarify the use of the transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.

The Group is presently evaluating and has not yet determined the effects of these accounting standards on its financial statements.

c. Principles of consolidation

The consolidated financial statements include the subsidiary accounts owned by the Company with the equity ownership of more than 50%, either directly or indirectly through another subsidiary as disclosed in Notes 1d.

All material intercompany accounts and transactions (including unrealized gains or losses) have been eliminated. A Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date such control ceases.

Specifically, the Group controls an investee if and only if the Group has:

a) Power over investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
b) Eksposure, or rights, of variable returns from its involvement to investee; and
c) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a) The contractual arrangement with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) The Group’s voting rights and potential voting rights.

Non-controlling interests (“NCI”) represent the portion of the profit or loss and net assets of the Subsidiaries not attributable, directly or indirectly, to the Parent Entity, which are presented in the consolidated statement of profit or loss and other comprehensive income and under the equity section of the consolidated statement of financial position, respectively, separately from the corresponding portion attributable to owners of the parent entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Principles of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Losses of a non-wholly owned Subsidiary are attributed to the NCI even if the losses create an NCI deficit balance. In case of loss of control over a Subsidiary, the Company:

- Derecognizes the assets (including goodwill) and liabilities of the Subsidiary;
- Derecognizes the carrying amount of any NCI;
- Derecognizes the cumulative translation differences recorded in equity, if any;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in profit or loss; and
- Reclassifies the parent’s share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the equity holders of the parent of the Group and to the Non-controlling interests (“NCI”), even if this results in the NCI having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d. Cash equivalents

Time deposits with maturities of three months or less at the time of placement, which are not restricted as to withdrawal or are not pledged as collateral for loans, are classified as “Cash Equivalents”. Cash in banks and time deposits which are restricted or pledged are presented as part of “Other Non-current Financial Assets”.

e. Restricted funds

Restricted funds represent funds obtained from the bank through the Company’s House Financing Credit facility (“KPR”) sales method which are restricted for use by the Group until gradual stages of completion of construction are completed depending on agreement with related banks.

f. Transactions with related parties

The Company and subsidiaries have transactions with related parties as defined in PSAK 7: Related party disclosures.

The transactions with related parties are made based on terms agreed by the parties. Such terms may not be the same as those for transactions with unrelated parties.

The details of the accounts and the significant transactions entered into with related parties are presented in Note 30.

Unless specifically identified as related parties, the parties disclosed in the Notes to the consolidated financial statements are unrelated parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method.

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventories.

The cost of land under development consists of cost of undeveloped land, direct and indirect development costs related to real estate development activities and borrowing costs. Land under development is transferred to landplots available for sale when the land development is completed. Total project cost is allocated proportionately to the saleable landplots based on their respective areas.

The cost of apartment under construction consists of the cost of developed land, construction costs, borrowing costs and other costs related to the development of the apartment. Costs capitalized to apartment under construction are allocated to each apartment unit using the saleable area method.

The cost of land development, including land which is used for roads and infrastructure or other unsaleable area, is allocated using saleable area.

The cost of buildings and apartments under construction is transferred to houses, shops and apartments (strata title) available for sale when the construction is substantially completed.

For residential property project, its cost is classified as part of inventories upon the commencement of development and construction of infrastructure. For commercial property project, upon the completion of development and construction of infrastructure, its cost remains as part of inventories or is reclassified to the related investment properties account, whichever is more appropriate.

Assessment of the cost estimate is done at the end of each reporting period until the project is substantially completed , if there is a change basis , the Company will revise the cost .

Other inventories, consisting of food, beverages and other inventories, are stated at cost or net realizable value, whichever is lower.

Net realizable value is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less estimated costs to complete and the estimated costs to sell. The decline in value of inventories is determined to writedown the carrying amount of inventories to their net realizable value and the decline is recognized as a loss in the consolidated statements of profit or loss and other comprehensive income.

h. Prepaid expenses

Prepaid expenses are amortized over the periods benefited using the straight-line method.

i. Undeveloped land

Undeveloped land is stated at cost or net realizable value, whichever is lower.

The cost of undeveloped land. consisting of pre-acquisition and acquisition cost of land, is transferred to land under development upon commencement of land development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any, except for land which is not depreciated.

Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met.

Likewise. when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit and loss as they are incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings and infrastructures	2-40
Machinery and heavy equipment	10
Vehicle	5-10
Furniture and office equipment	2-5

Land is stated at cost and is not depreciated.

Specific costs associated with the extension or renewal of land titles are deferred and amortized over the legal term of the landrights or economic life of the land, whichever period is shorter.

Construction in progress is stated at cost and is accounted as part of fixed assets. The accumulated costs are reclassified to the appropriate fixed assets or investment properties account when the construction is completed and the constructed asset is ready for its intended use.

An item of fixed assets 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 year the asset is derecognized.

The fixed assets' residual values, useful lives and methods of depreciation are reviewed and adjusted prospectively, if appropriate, at each financial year end.

k. Investment properties

Investment properties are stated at cost, which includes transaction cost, less accumulated depreciation and impairment loss, if any, except for land which is not depreciated. Such cost also includes the cost of replacing part of the investment properties if the recognition criteria are met, and excludes the daily expenses on their usage.

Investment properties consist of land, building and infrastructures, machinery and heavy equipment, hotel facilities and furniture and office equipment held by the Group 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.

Depreciation is computed using the straight-line method over the estimated useful lives of the investment properties as follows:

	Years
Buildings and infrastructures	3-40
Machinery and heavy equipment	10
Hotel facilities	2-5

Transfers to investment properties should be made when, and only when, there is a change in use. evidenced by the end of owner-occupation, commencement of an operating lease to another party or end of construction or development. Transfers from investment properties should be made when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Investment properties (continued)

The changes in the useful lives estimation is done after considering the effect of the repairs and maintenance performed by the Company.

An investment property should be derecognized on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gain or loss arising from the retirement or disposal of investment property is credited or charged to operations in the year the asset is derecognized.

For a transfer from investment properties to owner-occupied property, the Company uses the cost method at the date of change in use. If an owner-occupied property becomes an investment property, the Company records the investment property in accordance with the fixed assets policies up to the date of change in use.

l. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that asset is (or those assets are) not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

m. Capitalization of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the related asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs may include interest, finance charges in respect of finance leases recognized in accordance with PSAK No. 30 (Revised 2011) and foreign exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest costs.

Capitalization of borrowing costs commences when the activities to prepare the qualifying asset for its intended use have started and the expenditures for the qualifying asset and the borrowing costs have been incurred.

Capitalization of borrowing costs ceases when all the activities necessary to prepare the qualifying asset for its intended use are substantially completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m. Capitalization of borrowing costs (continued)

The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site property acquired specifically for development, but only where activities necessary to prepare the asset for development are in progress.

n. Impairment of non-financial asset value

The Group assesses at each reporting date whether there is an indication that assets may be impaired. If any such indication exists, or when annual impairment testing for assets (i.e., an intangible asset with an indefinite useful life, or an intangible asset not yet available for use) is required, the Group makes an estimate of the recoverable amounts of the respective assets.

An asset's recoverable amount is the higher of the asset's or its CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations, if any, are recognized in the consolidated statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

Reversal of an impairment loss is recognized in the consolidated statements of profit or loss and other comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

o. Stock issuance costs

Costs incurred in connection with the issuance of capital stock are presented as a deduction to additional paid-in-capital.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Revenue and expense recognition

Revenues from real estate sales are recognized as follows:

(1) Revenue from sales of houses, shops and other similar property and related land are recognized under the full accrual method if all of the following conditions are met:
1. A sale is consummated.
2. The selling price is collectible.
3. The seller's receivable is not subject to future subordination to other loans which will be obtained by the buyer.
4. The seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property.

(2) Revenues from sales of landplots that do not require the seller to construct the building are recognized under the full accrual method if all of the following conditions are met:
1. Total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable.
2. The selling price is collectible.
3. The receivable is not subordinated to other loans that will be obtained by the buyer.
4. The land development process is complete so that the seller has no further obligations related to the landplots sold.
5. Only the landplots are sold. without any requirement for the seller's involvement in the construction of the building on the landplots.

(3) Revenues from sales of apartments, the construction of which has not been completed, are recognized using the percentage-of-completion method if all of the following conditions are met:
1. The construction process has already commenced, i.e., the building foundation has been completed and all of the requirements to commence construction have been fulffiled;
2. Total payments by the buyer are at least 20% of the agreed selling price and the amount is not refundable;
3. The amount of revenue and the cost of the property can be reliably estimated.

If any of the above conditions is not met, the payments received from the buyer are recorded as deposits received until all of the criteria are met.

The method used to determine the percentage of completion is the proportion of actual costs incurred to the estimated total development cost of the real estate project.

Rental payments received in advance from tenants of shopping centers are recorded as "Unearned revenues". Such unearned income is recognized as income over the terms of the lease contracts. Deposits received from customers are presented as part of "Downpayments received and security deposits".

Rental and membership fees in sports club are recognized as income over the period of rental or membership. Rental and membership fees received in advance are presented as "Unearned Revenues". Revenues from restaurant operations are recognized when the goods are delivered or when the services have been rendered.

Revenue from hotel room occupancy is recognized on the basis of the period of occupancy. Revenue from other hotel services is recognized when the services are rendered or the goods are delivered to the customer.

Revenues from medical services are recognized at the point of sale or upon delivery of services to the patients.

The elements of costs which are capitalized to real estate development projects include the pre-acquisition cost of land, cost of land acquisition and other costs attributable to the development activity of real estate. The costs are allocated to real estate development projects using either the saleable area method or the sales value method.

Costs which are not clearly related to a real estate project, such as general and administrative expenses, are recognized as an expense as they are incurred.

If a certain project is estimated to generate a loss, a provision must be recognized for the amount of the loss.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Revenue and expense recognition (continued)

The revision of estimated costs or revenues, if any, which are generally attributed to real estate development activities must be allocated to ongoing and future projects. Revisions resulting from current period and prior period adjustments are recognized in the current period profit and loss, while revisions related to future periods are allocated to the remaining period of development.

q. Employee benefits

Short-term employee benefits
The Group recognizes short-term employee benefits liability (if any) when services are rendered and the compensation for such services are to be paid within twelve months after such services are rendered.

Post-employment benefits

The Group recognized an unfunded employee benefits liability in accordance with Labor Law No.13/2003 dated March 25, 2003 (the “Law”) and PSAK No. 24 (2013), “Employee Benefits”. Under the Law, the Group is required to pay separation, appreciation and compensation benefits to its employees if the conditions specified in the Law are met.

The Group also has a defined contribution plan covering substantially all of its eliglible employees. The benefits under the Law have been calculated by comparing the benefits that will be received by an employee at normal pension age from the Pension Plan with the benefits as stipulated under the Law, after deducting the accumulated employee contribution and the related investment results. If the employer-funded portion of the Pension Plan benefit is less than the benefit as required by the Law, the Group will provide for such shortfall.

Pension costs under the Group’s defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

All re-measurements, comprising of actuarial gains and losses, and the return of plan assets (excluding net interest) are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the interim consolidated statement of financial position to reflect the full value of the plan deficit and surplus. Re-measurements are not reclassified to profit or loss in subsequent periods.

All past service costs are recognized at the earlier of when the amendment/curtailment occurs and when the related restructuring or termination costs are recognized. As a result, unvested past service costs can no longer be deferred and recognized over the future vesting period.

r. Foreign currency transactions and balances

The company’s consolidated financial statements are presented in Rupiah, which is also the Parent Company’s functional currency. Each subsidiary determine its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transaction in foreign currencies are initialy recorded by the Group at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average of the selling and buying rates of exchange prevailing at the last banking transaction date of the period, as published by Bank Indonesia and any resulting gains or losses are credited or changed to operations of the current period.

As of September 30, 2018 and December 31, 2017, the rates of exchange used were as follows:

Foreign Currencies	September 30, 2018 (Full Amount)	December 31, 2017 (Full Amount)
1 European euro (Euro)	17,388	16,174
1 United States dollar (US$)	14,929	13,548
1 Singapura dollar (Sin$)	10,919	10,134

Transactions in other foreign currencies are considered not significant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s. Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All of the provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

t. Income tax

The Group has adopted PSAK 46 (Revised 2014), “Income Tax”.

Final Tax
Tax regulation in Indonesia determined that certain taxable income is subjected to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses. The calculation of final tax based on invoice of contract amount. Based on PSAK 46 above, final tax excluded from this PSAK’s. Hence, there is no deferred tax assets/liabilities recognition. By applying the revised PSAK, the Group has decided to present all of the final tax arising from sales of landplots, houses and shops as separate line item.

The difference between the carrying amount of a revalued asset and its tax base is a temporary difference and gives rise to a deferred tax liability or asset, except for certain asset such as land, which realization is taxed with final tax on gross value of transaction.

According to Law No. 12 year 1994, the value of the transfer is the highest value among the values under the Deed of Assignment and the Tax Object Sales Value of related land and/or buildings.

Based on Government Regulation (PP) No. 5 dated March 23, 2002, income from shopping center rental is subjected to a final tax of 10%, except for income on rental contracts signed prior to such regulation which is subject to 6%. On November 4, 2008, the President of the Republic of Indonesia and the Minister of Law and Human Rights signed Government Regulation No. 71/2008 (PP No. 71/2008) on “the third changes on PP No. 48/1994 regarding payment of income tax on income from transfer rights on land and/or building”. This regulation provides that, effective January 1, 2009, the income of a taxpayer from transactions of transferring rights on land and/or building, is subjected to final tax of 5% from the sales or transfer, which has been replaced by Government Regulation (PP) No. 34/2016 dated August 8, 2016, effective since September 8, 2016, income from the transfer of land or buildings are subjected to final tax amounting to 2.5% of the value of the sale or transfer.

Current Tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of “Tax Expense - Current” in the consolidated statements of profit or loss and other comprehensive income. The Group also presented interest/penalty, if any, as part of “Tax Expense - Current”.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

Deferred Tax
Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Income tax (continued)

Deferred Tax (continued)
The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Group reassesses unrecognized deferred tax assets. The Group recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The tax effects for the year are allocated to current operations, except for the tax effects of transactions which are charged or credited to equity. Management periodically evaluates positions taken by the Company in with respect to situations in which applicable tax regulations are subject interpretation and establishes provisions where appropriate.

u. Financial instruments

i. Financial assets

Initial Recognition

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to maturity investments, or available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

Subsequent Measurement

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of profit or loss and other comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  As of March 31, 2019, the Group has cash and cash equivalents, trade and other receivables, due from related parties and other current and non-current financial assets in this category.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments

i. Financial assets

Subsequent Measurement (continued)

- Available-For-Sale (AFS) financial assets

  AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as fair value through profit or loss, loans and receivables and held-to-maturity investments. After initial measurement, AFS financial assets are measured at fair value with unrealized gains or losses recognized in equity until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in equity is reclassified to profit or loss.

  The Company has investments in shares of stock that have readily determinable fair value and on which the Company's ownership interest is less than 20%.

Derecognition of financial asset

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

(i) the contractual rights to receive cash flows from the financial asset have expired;
(ii) or the Group has transferred its rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the financial asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

When the Group has transferred its rights to receive cash flows from a financial asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Group's continuing involvement in the financial asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (i) the consideration received, including any new assets obtained less any new liabilities assumed, and (ii) any cumulative gain or loss which had been recognized in equity, should be recognized in the consolidated statements of profit or loss and other comprehensive income.

On derecognition of a financial asset other than in its entirety (e.g., when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in the consolidated statements of profit or loss and other comprehensive income. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

i. Financial assets

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (incurred 'loss events') and those loss events have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The Group considers whether there is objective evidence of impairment individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets that have similar credit risk characteristics and the group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or that continues to be recognized, are not included in a collective assessment of impairment.

The impairment loss of a financial asset which is assessed individually is measured as the difference between the carrying value of the financial asset and the present value of estimated future cash flows discounted using the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance for impairment account and the impairment loss is recognized in the consolidated statements of profit or loss and other comprehensive income.

Future cash flows of a group of financial assets that are collectively evaluated for impairment, are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period in which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- Financial assets carried at amortized cost

  Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Group.

  If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account.

  The recovery should not lead to the carrying amount of the financial asset exceeding its amortized cost that would have been determined had no impairment loss been recognized for the asset at the reversal date. The amount of reversal is recognized in the consolidated statements of profit or loss and other comprehensive income. If a future write-off is later recovered, the recovery is also recognized in the consolidated statements of profit or loss and other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

i. Financial assets (continued)

- Financial assets carried at amortized cost (continued)

  If there is objective evidence that an impairment has occurred over equity instruments that do not have quoted market price and are not carried at fair value because fair value cannot be measured reliably, then the amount of any impairment loss is measured as the difference between the carrying value of the financial assets and the present value of estimated future cash flows discounted at the prevailing rate of return on the market for a similar financial asset. Impairment losses are not recoverable in the following years.

ii. Financial liabilities

Initial Recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss. financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value which, in the case of financial liabilities at amortized cost, is inclusive of directly attributable transaction costs.

As of March 31, 2019 and December 31, 2018, the Group has determined that short-term bank loans, trade payables to third parties, other payables, due to related parties, accrued expenses, liability for short-term employee benefits, downpayment received and downpayment received and security deposits – customer deposits, long-term debts, bonds payable and sukuk ijarah and other non-current financial liabilities are categorized as financial liabilities at amortized cost.

Subsequent Measurement

- Financial liabilities at amortized cost

  After initial recognition, financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest rate method.

  Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

Derecognition of financial liabilities

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of profit or loss and other comprehensive income.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

iii. Financial liabilities (continued)

Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash flows (including all fees and points received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the expected life of the financial asset, or a shorter period, where appropriate, to the net carrying amount at initial recognition of the financial asset.

Fair value hierarchy

The Group measures financial instruments, such as derivatives, at fair value at each consolidated statements of financial position date. Also, fair values of financial instruments measured at amortized cost are disclosed in the related note.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	:	Fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	:	Fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly.
Level 3	:	Fair values measured based on valuation techniques for which inputs which have a significant effect on the recorded fair values are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

ii. Financial liabilities (continued)

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

v. Earning per share

Earnings per share amount is calculated by dividing the profit for the year attributable to owners of the Parent Entity by the weighted average number of shares outstanding during the year.

w. Operating Segments

A segment is a distinguishable component of the Company and its subsidiaries that is engaged either in providing certain products and services (business segment) or in providing products and services within a particular economic environment (geographical segment), which is subjected to risks and rewards that are different from those in other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated.

x. Business combination of entities under common control

Transfer of business within entities under common control does not result in a change of the economic substance of ownership of the business being transferred and does not result in gain or loss to the Group or to the individual entity within the Group. Since the transfer of business of entities under common control does not result in a change of the economic substance, the business being exchanged is recorded at book value as a business combination using the pooling of-interests method.

Under the pooling-of-interests method, the components of the financial statements for the period during which the restructuring occurred and for other periods presented, for comparison purposes, are presented in such a manner as if the restructuring had already happened from the beginning of the periods during which the entities were under common control. The difference between the carrying amounts of the business combination transaction and the consideration transferred is recognized as part of the account “Additional Paid-in Capital”.

y. Sukuk ijarah payable

Sukuk ijarah is recognized when the Group becomes a party involved with the issuance of sukuk ijarah which is presented as a liability. At initial recognition, sukuk ijarah is stated at nominal amount, adjusted for premium or discount and sukuk ijarah issuance costs. After initial recognition, if the amount recorded is different with the nominal amount, the difference is amortized using the straight-line method over the term of the sukuk ijarah.

Sukuk ijarah issuance costs are directly deducted from the issue proceeds in the consolidated statement of financial position as a transaction cost and are amortized using the straight-line method over the term of the sukuk ijarah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

z. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The Group determines whether it is necessary to recognize an impairment loss on the Group's investments in associates. The Group determines at each reporting date whether there is any objective evidence that the investments in the associatesare impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investmentsand their carrying value, and recognizes the amount in the consolidated statement of profit or loss and other comprehensive income.

The financial statements of the associates are prepared for the same reporting period with the Group.

aa. Current and no-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- (i) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- (ii) held primarily for the purpose of trading,
- (iii) expected to be realised within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:
- (i) expected to be settled in the normal operating cycle,
- (ii) held primarily for the purpose of trading,
- (iii) due to be settled within twelve months after the reporting period, or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations and assumptions, which have the most significant effect on the amounts recognized in the consolidated financial statements:

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Judgments (continued)

- *Revenue recognition*

  When a contract for the sale of a property upon completion of construction is judged to be a construction contract (see revenue recognition policy for sales of property under development) (Notes 2p), revenue is recognized using the percentage-of-completion method as construction progress. The percentage of completion is made by reference to the stage of completion of the project or contract, determined based on the proportion of the contract costs incurred to date to the total estimated costs of the project or contract.

- *Classification of financial assets and liabilities*

  The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2u.

- *Classification of property*

  The Group determines whether an acquired property is classified as investment property or property inventory:
  - Investment property consists of land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

  - Property inventory consists of property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.

- *Valuation of property*

  The fair value of land and buildings disclosed under the "Fixed assets" and "Investment properties" accounts are determined by independent real estate valuation experts using recognized valuation techniques. These techniques comprise the cost approach and market and revenue valuation methods. In some cases, the fair value is determined based on recent real estate transactions with similar characteristics and location to those of the Group's assets. Total fair value as of December 31, 2016 is disclosed in Notes 11 and 12 to the consolidated financial statements.

- *Operating lease contracts - the Group as lessor*

  The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the leased property and, therefore, it accounts for the leases as operating leases.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Determination of fair value of financial assets and financial liabilities*

  When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

  The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and Assumptions (continued)

- *Estimating useful lives of fixed assets and investment properties*

  The Group estimates the useful lives of its fixed assets and investment properties based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets and investment properties is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial year end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

  It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

  The amounts and timing of recorded expenses for any year are affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Group's fixed assets and investment properties increases the recorded cost of sales and direct costs and operating expenses and decreases total assets.

- *Estimation of pension cost and other employee benefits*

  The cost of defined benefit plan and the present value of the pension obligation are determined using the projected-unit-credit method. Actuarial valuation includes making various assumptions which consist of, among other things, discount rates, expected rates of return on plan assets. Rates of compensation increases and mortality rates. Actual results that differ from the Group's assumptions are recognized as other comprehensive income. Due to the complexity of the valuation and its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions.

  While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in its assumptions may materially affect the costs of and obligations for pension and other long-term employee benefits. All assumptions are reviewed at each reporting period.

- *Uncertain tax exposure*

  In certain circumstances. the Group may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Group applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Assets". The Group makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognize.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	March 31, 2019	December 31, 2018
Cash on hand		
Rupiah	5,968,379	5,683,718
Foreign currencies	505,010	339,932
Total cash on hand	6,473,389	6,023,650
Bank		
Rupiah		
PT Bank Central Asia Tbk	395,271,029	416,508,419
PT Bank Permata Tbk	307,031,854	255,917,334
PT Bank Mandiri (Persero) Tbk	77,966,022	90,101,626
PT Bank OCBC NISP Tbk	35,753,698	22,448,784
PT Bank CIMB Niaga Tbk	30,335,285	25,313,391
Others (each below Rp20,000,000)	28,605,216	58,567,501
Other Currencies		
PT Bank Permata Tbk	51,387,947	52,011,996
Others (each below Rp10,000,000)	13,925,308	15,114,118
Total bank	940,276,359	935,983,169
Time Deposits		
Rupiah		
PT Bank Central Asia Tbk	393,675,037	402,084,059
PT Bank Permata Tbk	129,556,845	152,313,804
Others (each below Rp20,000,000)	28,731,780	31,050,353
United States dollar		
Others (each below Rp5,000,000)	6,077,715	6,107,044
Total time deposits	558,041,377	591,555,260
Total cash and cash equivalents	**1,504,791,125**	**1,533,562,079**

Ranges of annual interest rates of time deposits are as follows:

	March 31, 2019	December 31, 2018
Rupiah	4.50% - 8.00%	4.50% - 8.00%
United States dollar	0.85% - 2.50%	0.85% - 2.00%

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS (CONTINUED)

As of March 31, 2019, cash on hand is covered by insurance against theft and other risks with PT Asuransi FPG Indonesia, PT Asuransi Asoka Mas, PT Asuransi Allianz Utama Indonesia dan PT Asuransi ACE, all third parties, with total coverage of Rp46,450,000 (2018: Rp46,450,000). The Group's management believes that the coverage is adequate to cover possible losses arising from such risks.

Interest income from time deposits is presented in the consolidated statements of profit of loss and other comprehensive income as part of "Finance Income".

All cash in banks and time deposits are placed in third-party banks. As of March 31, 2019 and December 31, 2018, no cash and cash equivalents pledged as collateral of loans.

5. TRADE RECEIVABLES

The details of trade receivables are as follows:

	March 31, 2019	December 31, 2018
Related parties (Note 30)		
Sale of houses, shops and landplots	42,306,715	49,595,351
Rental of retail and commercial investment properties	1,654,115	4,249,840
Sale of apartments	1,069,925	1,493,381
Hotel services	-	162,792
Sub-total	45,030,755	55,501,364
Third parties		
Sale of houses, shops and landplots	168,821,693	156,803,475
Sale of apartments	130,907,586	147,661,834
Rental of retail and commercial investment properties	32,625,752	41,672,650
Hotel services	14,391,803	17,659,950
Rental of residential and office investment properties	2,167,826	2,117,094
Monthly membership fees in sports club	1,451,050	1,671,100
Others	24,168,367	23,256,766
Sub-total	374,534,077	390,842,869
Total trade receivables	**419,564,832**	**446,344,233**
Allowance for impairment - third parties	(1,351,884)	(1,362,435)
Total trade receivables - net	**418,212,948**	**444,981,798**
Less of current maturities	(368,753,698)	(393,868,139)
Long term portion	**49,459,250**	**51,113,659**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

5. TRADE RECEIVABLES (CONTINUED)

All of the Group's trade receivables are denominated in Rupiah.

As of March 31, 2019 and December 31, 2018, no trade receivables from thrird parties belonged to specific subsidiaries are pledged as collateral for loans payable to BCA (Note 12).

Based on a review of the status of the individual trade receivables at the end of March 31, 2019, the Group's management believes that all of the trade receivables are current and fully collectible, therefore no allowance for impairment of trade receivables is necessary.

6. INVENTORIES

	March 31, 2019	December 31, 2018
Inventories consist of:		
Inventories available for sale:		
Apartments	440,423,142	382,698,449
Houses	156,542,260	165,617,262
Landplots	119,420,409	119,505,456
Shops	20,709,609	20,709,609
Total inventories available for sale	737,095,420	688,530,776
Inventories under construction:		
Buildings	4,758,925,583	4,207,893,202
Landplots	1,888,365,079	1,900,193,112
Apartments	929,305,293	1,024,998,271
Total inventories under construction	7,576,595,955	7,133,084,585
Others	64,244,448	68,637,854
Total inventories	**8,377,935,823**	**7,890,253,215**

The movements in the buildings and apartments inventories under construction account are as follows:

	March 31, 2019	December 31, 2018
Beginning balance	5,232,891,473	4,645,357,019
Production costs	684,709,454	2,689,954,416
Transfer to buildings and apartments inventories available for sale	(229,370,051)	(2,102,419,962)
Ending balance	**5,688,230,876**	**5,232,891,473**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

6. INVENTORIES (CONTINUED)

The movements in the buildings and apartments inventories available for sale account are as follows:

	March 31, 2019	December 31, 2018
Beginning balance:		
Houses	165,617,262	86,797,700
Shops	20,709,609	71,580,534
Apartments	382,698,449	-
Transfer from buildings and apartments inventories under construction	229,370,051	2,102,419,962
Cost of sales (Note 27):		
Apartments	(65,657,388)	(753,715,294)
Houses	(71,216,696)	(864,360,188)
Shops	(43,846,276)	(73,697,394)
Ending balance	**617,675,011**	**569,025,320**

The downpayments received related to the above-mentioned inventories as of March 31, 2019 amounting to Rp3,815,159,953 (2018: Rp3,384,081,889) are presented as Deposits Received in the consolidated statement of financial position and as part of "Downpayments Received from Sale" in Note 19.

As of March 31, 2019, inventories amounted to Rp405,792,941 used as collateral for loans payable BCA (2018: Rp405,792,941).

As of March 31, 2019 and December 31, 2018, houses, shops and apartment inventories are covered by insurance against fire and other risks with PT Asuransi AXA Indonesia, PT Zurich Insurance Indonesia, PT Asuransi Allianz Utama Indonesia dan PT Asuransi Central Asia, all third parties, with total coverage of Rp2,040,911,461 dan US$132,890,225 (2018: Rp2,040,911,461 dan US$132,890,225). The Group's management is of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2019, revenue from property development presented as part of net revenues in the consolidated statements of profit or loss and other comprehensive income amounted to Rp540,381,135 (2018: Rp679,733,693) (Note 26).

The Group's management believes that inventories are realizable at the above amounts and no provision for losses is necessary.

7. UNDEVELOPED LAND

The details of undeveloped land are as follows:

	March 31, 2019		December 31, 2018	
Location	Area (m^2)	Amount	Area (m^2)	Amount
Summarecon Serpong	3,015,863	926,044,539	3,016,115	922,845,607
Summarecon Bekasi	3,956,993	1,023,919,822	3,956,993	1,022,554,022
Summarecon Bandung	3,316,985	1,970,189,828	3,313,280	1,973,543,815
Summarecon Karawang	138,766	166,074,724	138,103	165,476,722
Summarecon Makassar	3,329,369	827,577,174	3,329,369	821,837,557
Bogor	4,221,177	797,674,397	4,221,177	795,784,940
Others	2,280,105	736,885,110	2,280,105	733,819,389
Total undeveloped land	**20,259,258**	**6,448,365,594**	**20,255,142**	**6,435,862,052**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

7. UNDEVELOPED LAND (CONTINUED)

The status of ownership of undeveloped land is as follows:

Status	March 31, 2019 Area (m^2)	December 31, 2018 Area (m^2)
Land certificates already issued	11,513,552	11,515,168
Released rights	8,745,706	8,739,974
Total	**20,259,258**	**20,255,142**

Management believes that there will be no issue in obtaining the land certificates and the extension of the land rights since all the land were legally acquired and supported by sufficient evidence of ownership.

As of March 31, 2019 and December 31, 2018, undeveloped land with total area 1,817,460 m^2 with carrying value amounted Rp1,092,081,458 are used as collateral for loans from banks.

As of March 31, 2019 and December 31, 2018, no undeveloped land is used as collateral for Bonds for “Obligasi Berkelanjutan I Tahap III” (Note 13).

No borrowing costs have been capitalized to undeveloped land as of March 31, 2019 and December 31, 2018.

8. ADVANCE PAYMENTS

This account consists of payments for:

	March 31, 2019	December 31, 2018
Current advance payments:		
Purchase of construction materials	196,110,862	199,149,050
Sales commission	90,728,360	89,824,771
Others	64,163,008	58,126,904
Total current advance payments	351,002,230	347,100,725
Non-current advance payments:		
Purchase of:		
Land	620,332,929	593,705,068
Fixed assets and investment properties	25,755,338	26,453,217
Others	7,166,822	7,066,822
Total non-current advance payments	653,255,089	627,225,107
Total advance payments	**1,004,257,319**	**974,325,832**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

9. FIXED ASSETS

	March 31, 2019				
	Balance as of January 1, 2019	Additions	Deductions	Reclass-ification	Balance as of March 31, 2019
Cost					
Direct Ownership					
Land	20,740,281	-	-	-	20,740,281
Building and infrastructure	285,651,643	652,191	-	1,388,417	287,692,251
Machinery and heavy equipment	91,158,553	2,055,541	-	-	93,214,094
Vehicles	115,689,943	876,387	1,322,139	-	115,244,191
Furniture and office equipment	463,096,841	5,979,410	6,185	3,290,924	472,360,990
Sub total	976,337,261	9,563,529	1,328,324	4,679,341	989,251,807
Construction in progress	26,842,950	12,728,973	-	(3,738,533)	35,833,390
Total cost	1,003,180,211	22,292,502	1,328,324	940,808	1,025,085,197
Accumulated depreciation					
Direct Ownership					
Building and infrastructure	133,734,358	2,845,782	-	-	136,580,140
Machinery and heavy equipment	37,112,057	6,293,278	-	-	43,405,335
Vehicles	83,622,426	2,988,825	1,018,559	-	85,592,692
Furniture and office equipment	371,982,679	13,996,823	-	-	385,979,502
Total accumulated depreciation	626,451,520	26,124,708	1,018,559	-	651,557,669
Net book value	**376,728,691**				**373,527,528**

	December 31, 2018					
	Balance as of January 1, 2018	Additions	Deductions **	Reclass-ification	Effect of Release of Subsidiaries *	Balance as of December 31, 2018
Cost						
Direct Ownership						
Land	20,698,962	229,670	-	-	(188,351)	20,740,281
Building and infrastructure	313,326,822	7,440,970	61,188	15,840,140	(50,895,101)	285,651,643
Machinery and heavy equipment	89,707,113	5,276,458	-	-	(3,825,018)	91,158,553
Vehicles	115,284,573	11,649,758	9,293,049	-	(1,951,339)	115,689,943

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

9. FIXED ASSETS (CONTINUED)

	December 31, 2018					
	Balance as of January 1, 2018	**Additions**	**Deductions ****	**Reclass-ification**	**Effect of Release of Subsidiaries ***	**Balance as of December 31, 2018**
Cost						
Direct Ownership						
Furniture and office equipment	464,534,856	28,922,345	1,134,980	-	(29,225,380)	463,096,841
Sub total	1,003,552,326	53,519,201	10,489,217	15,840,140	(86,085,189)	976,337,261
Construction in progress	10,673,563	22,247,674	-	(6,078,287)	-	26,842,950
Total cost	1,014,225,889	75,766,875	10,489,217	9,761,853	(86,085,189)	1,003,180,211
Accumulated depreciation						
Direct Ownership						
Building and infrastructure	138,944,863	10,850,134	-	-	(16,060,639)	133,734,358
Machinery and heavy equipment	32,134,152	7,775,431	-	310,414	(3,107,940)	37,112,057
Vehicles	81,676,980	12,918,567	9,164,448	-	(1,808,673)	83,622,426
Furniture and office equipment	339,891,287	64,642,019	918,204	(310,414)	(31,322,009)	371,982,679
Total accumulated depreciation	592,647,282	96,186,151	10,082,652	-	(52,299,261)	626,451,520
Net book value	**421,578,607**					**376,728,691**

*In 2018, SPCK, direct subsidiary, has sold part of its ownership in BTKV; therefore, the Company has lost controlling interests. This transaction was recorded as part of investment in associates (Note 1e).

** consist of sales, disposals, and disposals and deduction of contract amounts to suppliers.

Depreciation was charged to the following:

	March 31, 2019	**March 31, 2018**
General an administrative expenses (Note 28)	24,503,353	22,282,622
Cost of sales and direct costs	1,621,355	2,153,503
Total	**26,124,708**	**24,436,125**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

9. FIXED ASSETS (CONTINUED)

The details of sales of fixed assets are as follows:

	March 31, 2019	March 31, 2018
Cost	1,322,139	837,661
Accumulated depreciation	1,018,559	818,621
Net book value	303,580	19,040
Selling price	363,186	417,132
Gain on sales of fixed assets - net	**59,606**	**398,092**

Deductions of fixed assets in 2019 including deduction of contract amounts to suppliers on furniture and office equipment amounted to Rp6,185 (2018: Rp61,188).

As of March 31, 2019, the Company disposed certain of its fixed assets with net book value of Rp0 (2018: Rp216,775).

In 2018 & 2017, no borrowing costs have been capitalized to fixed assets.

The details of construction in progress are as follows:

	March 31, 2019		December 31, 2018	
	Total	Percentage of commpletion (%)	Total	Percentage of commpletion (%)
Plaza Office	7,907,605	36.13	7,907,605	36.13
Bridge M-Town	-	-	7,598,043	84.74
Others	27,925,785	-	11,337,302	-
Total construction in progress	**35,833,390**		**26,842,950**	

The percentages of completion of the construction in progress are based on the actual expenditures incurred compared to the total budgeted project cost.

Below are the estimated completion date for the construction in progress as of March 31, 2019:

	Estimated Completion Dates
Plaza Office	March 2020

As of March 31, 2019, the reclassification from construction in progress to fixed assets amounting to Rp3,738,533 (2018: Rp2,052,045).

As of March 31, 2019, the reclassifications of fixed assets with net book value amounting to Rp84,000 (2018: Rp0) from investment properties was due to the change in management’s intention on the use of the related assets (Note 10).

As of March 31, 2019, the reclassifications of fixed assets with net book value amounting to Rp10,895,820 (2018: Rp0) to inventories was due to the change in management’s intention on the use of the related assets (Note 6).

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

9. FIXED ASSETS (CONTINUED)

As of March 31, 2019, the reclassification of fixed assets with net book value amounting to Rp11,752,628 (2018: Rp13,788,095) from inventories was due to the change in management's intention on the use of the related assets (Note 6).

As of March 31, 2019, reclassifications from construction in progress to inventories amounted to Rp0 (2018: Rp4,026,242) were due to the change in management's intention on the use of the related assets.

As of March 31, 2019, fixed assets, except land, are covered by insurance against fire, flood and other risks (all-risks) under blanket policies with several companies, including PT Asuransi Allianz Utama Indonesia, PT AIG Insurance Indonesia, PT Asuransi Central Asia, PT Chubb General Insurance Indonesia, PT KSK Insurance Indonesia, PT Asuransi Sinarmas dan PT Asuransi Bintang, all third parties, for US$20,691,151 dan Rp221,418,189 (2018: US$20,691,151 dan Rp221,418,189).

As of March 31, 2019, fixed assets with net book value Rp20,689,251 (2017: Rp20,689,251) are used as collateral for the loans from banks and financing institutions (Note 12).

The fair value of the fixed assets as of March 31, 2019 amounting to Rp780,178,000 (2018: Rp780,178,000) was determined by independent appraisers KJPP Hendra, Widjaja, Robinson and Partners in its report dated March 22, 2018.

Based on the Group's assessments, there were no events or changes in circumstances which indicated an impairment in the value of fixed assets as of March 31, 2019.

10. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	March 31, 2019				
	Balance as of January 1, 2019	**Additions**	**Deductions**	**Reclass-ification**	**Balance as of March 31, 2019**
<u>Cost</u>					
<u>Direct Ownership</u>					
Land	953,849,594	-	-	-	953,849,594
Building and infrastructures	3,824,656,360	5,137,974	-	113,396	3,829,907,730
Machinery and heavy equipment	720,158,090	1,506,505	-	-	721,664,595
Hotel facilities	274,889,415	-	-	-	274,889,415
Sub-total	5,773,553,459	6,644,479	-	113,396	5,780,311,334
Construction in progress	105,896,496	12,456,968	63,617	(197,396)	118,092,451
Total cost	5,879,449,955	19,101,447	63,617	(84,000)	5,898,403,785
<u>Accumulated depreciation</u>					
<u>Direct Ownership</u>					
Building and infrastructures	887,590,921	27,570,155	-	-	915,161,076
Machinery and heavy equipment	439,316,018	14,724,144	-	-	454,040,162
Hotel facilities	166,624,126	4,496,515	-	-	171,120,641
Total accumulated depreciation	1,493,531,065	46,790,814	-	-	1,540,321,879
Net book value	**4,385,918,890**				**4,358,081,906**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

10. INVESTMENT PROPERTIES (CONTINUED)

	December 31, 2018				
	Balance as of January 1, 2018	**Additions**	**Deductions ****	**Reclass-ification**	**Balance as of December 31, 2018**
Cost					
Direct Ownership					
Land	917,260,357	36,589,237	-	-	953,849,594
Building and infrastructures	3,774,931,987	44,033,731	805,288	6,495,930	3,824,656,360
Machinery and heavy equipment	704,537,322	13,639,768	18,000	1,999,000	720,158,090
Hotel facilities	274,701,613	421,421	233,619	-	274,889,415
Sub-total	5,671,431,279	94,684,157	1,056,907	8,494,930	5,773,553,459
Construction in progress	77,421,831	36,969,595	-	(8,494,930)	105,896,496
Total cost	5,748,853,110	131,653,752	1,056,907	-	5,879,449,955
Accumulated depreciation					
Direct Ownership					
Building and infrastructures	775,036,998	112,560,019	6,096	-	887,590,921
Machinery and heavy equipment	381,072,367	58,261,651	18,000	-	439,316,018
Hotel facilities	131,421,066	35,203,060	-	-	166,624,126
Total accumulated depreciation	1,287,530,431	206,024,730	24,096	-	1,493,531,065
Net book value	**4,461,322,679**				**4,385,918,890**

** consist of sales, disposals, and disposals and deduction of contract amounts to suppliers

Depreciation was charged to the following:

	March 31, 2019	**March 31, 2018**
Cost of sales and direct costs	46,481,455	51,703,401
General and administrative expenses (Note 28)	309,359	-
Total	**46,790,814**	**51,703,401**

As of March 31, 2019, the Group disposed of some investment properties with net book value of Rp63,617 (2018: Rp0).

The deductions in 2019 included the deduction of contract value for machineries and equipment and construction in progress to each suppliers amounting to Rp63,617 (2018: Rp1,032,811).

As of March 31, 2019, the reclassifications from construction in progress to the appropriate completed investment properties amounting to Rp197,396 (2018: Rp8,494,930).

As of March 31, 2019, the reclassification of investment properties with net book value amounting to Rp84,000 (2018: Rp0) to fixed assets was due to the change in management's intention on the use of the related assets (Note 9).

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

10. INVESTMENT PROPERTIES (CONTINUED)

The details of construction in progress are as follows:

	March 31, 2019		December 31, 2018	
Project	Total	Percentage of completion (%)	Total	Percentage of completion (%)
Summarecon Mall Bandung	73,949,638	15.00	69,514,520	13.90
Hotel renovation	10,465,192	85.00	10,465,192	85.00
Others	33,677,621		25,916,784	
Total construction in progress	**118,092,451**		**105,896,496**	

Below are the estimated completion dates of the projects under construction in progress as of March 31, 2019:

	Estimated Completion Date
Summarecon Mall Bandung	December 2021
Hotel renovation	December 2020

The percentages of completion of the construction in progress are based on the actual expenditures incurred compared to the total budgeted project cost.

As of March 31, 2019, investment properties, except land, are covered by insurance against fire, flood, and other risks (all risk) under blanket policies with several companies, including PT Asuransi Allianz Utama Indonesia, PT Asuransi AXA Indonesia, PT Zurich Insurance Indonesia, PT Asuransi Central Asia, PT Mitra, Iswara & Rorimpandey, PT Asuransi Indrapura, PT ACE Jaya Proteksi, PT Asuransi Rama Satria Bawa, PT Asuransi Asoka Mas, PT Asuransi Ekspor Indonesia dan PT Asuransi Astra Buana, all third parties, with sum insured amounted US$674,872,805 dan Rp593,760,956 (2018: US$674,872,805 dan Rp593,760,956).

As of March 31, 2019, the Group also covered its investment properties by insurance against terrorism and sabotage for US$424,123,166 dan Rp1,267,958,000 (2018: US$424,123,166 dan Rp1,267,958,000). In addition, the Group also obtained insurance against business interruption amounting to US$42,145,000 dan Rp1,356,728,000 (2018: US$42,145,000 dan Rp1,356,728,000). The Group's management is of the opinion that the above coverages are adequate to cover possible losses arising from such risks.

As of March 31, 2019, investment properties with net book value of Rp2,253,540,212 (2018: Rp2,253,540,212) are pledged as collateral for the loans from banks and financing institutions, bonds payable and sukuk ijarah (Notes 12 and 13).

The fair value of the investment properties as of March 31, 2019 amounted to Rp17,458,216,000 (2018: Rp17,458,216,000), which was determined by independent appraisers KJPP Hendra, Widjaja, Robinson and Partners in its report dated March 22, 2018.

Rental income from investment properties recognized in the consolidated statement of comprehensive income as of March 31, 2019 amounted to Rp365,031,789 (2018: Rp352,042,248) (Note 26).

Based on the Group's assessments, there were no events or changes in circumstances which indicated an impairment in the value of investment properties as of March 31, 2019.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

11. OTHER FINANCIAL ASSETS

This account consists of:	March 31, 2019	December 31, 2018
Current financial asset		
Security deposit	314,585	60,013
Other non-current financial assets		
Restricted time deposits:		
PT Bank Mandiri (Persero) Tbk	85,592,896	77,993,175
PT Bank CIMB Niaga Tbk	77,382,523	54,905,326
PT Bank Permata Tbk	74,750,917	82,753,366
PT Bank OCBC NISP Tbk	58,119,423	73,148,243
PT Bank Maybank Indonesia Tbk	52,467,001	40,840,738
PT Bank Danamon Indonesia Tbk	23,310,411	14,011,569
Others (each below Rp20,000,000)	29,645,905	22,030,253
Restricted cash in banks:		
PT Bank Central Asia Tbk	267,064,200	280,588,621
PT Bank UOB Indonesia Tbk	33,039,911	29,532,593
PT Bank Permata Tbk	24,783,443	23,032,987
Others (each below Rp20,000,000)	991,891	717,133
Investment - available for sale	312,500	312,500
Security deposit	1,660,365	1,630,846
Total other non-current financial assets	729,121,386	701,497,350
Total other financial assets	**729,435,971**	**701,557,363**

The restricted time deposits are used as collateral for loans and the interest payments on the loans (Note 12), also used as collateral for the corporate guarantees provided by the Group to those banks on the housing loans obtained by the customers of the Group.

For the three-months period ended March 31, 2019, the restricted time deposits earned interest at annual interest rate of 4.00%-7.00% (2018: 4.00%-7.00%).

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS

a. The short-term bank loans are due to the following third parties:

	March 31, 2019	December 31, 2018
Rupiah		
PT Bank Central Asia Tbk	417,402,073	427,135,804
PT Bank CIMB Niaga Tbk	270,000,000	275,000,000
PT Bank Sumitomo Mitsui Indonesia	200,000,000	250,000,000
PT Bank Mandiri (Persero) Tbk	200,000,000	200,000,000
PT Bank Resona Perdania	161,576,000	161,576,000
PT Bank Mayora Tbk	150,000,000	150,000,000

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

a. The short-term bank loans are due to the following third parties: (continued)

	March 31, 2019	December 31, 2018
Rupiah (continued)		
PT Bank HSBC Indonesia	150,000,000	150,000,000
PT Bank OCBC NISP Tbk	125,000,000	125,000,000
PT Bank Muamalat Indonesia Tbk	50,000,000	-
Unites States dollar		
PT Bank Resona Perdania (US$3,000,000 as of March 31, 2019 and December 31, 2018)	42,732,000	43,443,000
Total	**1,766,710,073**	**1,782,154,804**

b. The long-term loans from banks and financing institutions are due to third parties and consist of the following:

	March 31, 2019	December 31, 2018
Rupiah		
PT Bank Central Asia Tbk	2,622,152,615	2,721,027,617
PT Bank Mandiri (Persero) Tbk	1,100,000,000	1,112,500,000
PT Bank Central Asia Syariah	69,557,635	69,557,635
PT BCA Finance	11,671,212	13,117,548
United States dollar		
PT Bank Central Asia Tbk	116,183,577	118,116,707
Total loans from Banks and financing institution	3,919,565,039	4,034,319,507
Less of unamortized debt commission fees	(7,060,515)	(9,856,021)
Net	3,912,504,524	4,024,463,486
Less of current maturities	(1,299,242,900)	(833,070,713)
Long-term portion	**2,613,261,624**	**3,191,392,773**

As of March 31, 2019 and December 31, 2018, the details of future installments of the long-term loans from banks and financing institutions are as follows:

	March 31, 2019	December 31, 2018
Year Due		
2019	-	838,634,628
2020	1,203,279,522	1,225,003,804
2021	925,879,095	871,215,301
2022	822,391,541	350,746,360
2023	311,941,328	395,581,746
2024	451,034,775	301,089,442
2025	152,990,539	17,389,409

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

As of March 31, 2019 and December 31, 2018, the details of future installments of the long-term loans from banks and financing institutions are as follows: (continued)

	March 31, 2019	December 31, 2018
Year Due (continued)		
2026	17,389,409	34,658,817
2027	34,658,830	-
Total installments	**3,919,565,039**	**4,034,319,507**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

A Short Term Bank Loan

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December 31
Company and PT Bank Sumitomo Mitsui Indonesia Revolving credit facility	Rp250,000,000	Until August 2019	August 2019	Monthly	2019: 9.60% (2018: 10.50%)	-	Working capital	2019: Rp150,000,000/ Rp200,000,000 (2018: Rp800,000,000/ Rp750,000,000)	2019: Rp200,000,000 (2018: Rp250,000,000)
Company and PT Bank Mandiri (Persero) Tbk Working capital loan facility	Rp200,000,000	Until June 2019	June 2019	Monthly	2019: 9.75% (2018: 9.75%)	MKOJ's investment properties and Hotel Harris Bekasi Building (Note 10)	Working capital	2019 : Rp0/Rp0 (2018: Rp160,000,000/ Rp150,000,000)	2019: Rp200,000,000 (2018: Rp200,000,000)
SPCK and PT Bank Resona Perdania Working capital loan facility	Rp30,000,000	Until August 2019	August 2019	Monthly	2019: 8.00%-8.86% (2018: 8.12%-8.86%)	Letter of undertaking	Working capital	2019: Rp0/Rp0 (2018: Rp0/Rp0)	2019: Rp5,000,000 (2018: Rp5,000,000)
Company and PT Bank Resona Perdania Credit facility Revolving	US$3,000,000 and Rp161,220,000	Until December 2019	December 2019	Monthly	2019: 4.93%-8.91% (2018: 4.37%-7.87%)	Investment properties (Note 10)	Working capital	2019: Rp0/Rp0 (2018: Rp0/Rp0)	2018: US$3,000,000 or equivalent to Rp43,732,000 and Rp156,576,000 (2018: US$3,000,000 or equivalent to Rp43,443,000 and Rp156,576,000)
Company and PT Bank Mayora Tbk Credit term facility	Rp150,000,000	Until October 2019	October 2019	Monthly	2019: 9.75% (2018: 9.75%)	-	Working capital	2019: Rp0/Rp0 (2018: Rp0/Rp0)	2019: Rp150,000,000 (2018: Rp150,000,000)
Company and PT HSBC Indonesia Credit facilitiy Loan term facilitiy	Rp150,000,000	Until July 2019	July 2019	Monthly	2019: 8.65% 2018 : 8.65%	-	Working capital	2019: Rp0/Rp0 (2018: Rp150,000,000/Rp0)	2019 : Rp150,000,000 2018 : Rp150.000.000
Company and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp80,000,000	Until April 2019	April 2019	Monthly	2019: 9.50% (2018: 9.50%)	Investment properties (Note 10)	Working capital	2019: Rp0/ Rp5,411,868 (2018: Rp354,746/ Rp0)	2019: Rp48,819,569 (2018: Rp54,231,437)
Credit facility Revolving	Rp 250,000,000	Until April 2019	April 2019	Monthly	2019: 9.00% 2018: 9.00%	-	Working capital	2019: Rp0/Rp0 (2018: Rp245,000,000/Rp0)	2019: Rp245,000,000 (2018: Rp245,000,000)
SGMC and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp50,000,000	Until November 2019	November 2019	Monthly	2019: 9.50% 2018: 9.50%	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2019: Rp0/ Rp16,311,084 (2018: Rp10,470,413/ Rp0)	2018: Rp12.573.409 (2017: Rp28,884,493)

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

A Short Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December, 31
SPCK and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp80,000,000	Until September 2019	September 2019	Monthly	2019: 9.50% (2018: 9.50%)	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2019: Rp16,377,336/ Rp0 (2018: Rp14,447,511/ Rp48,123)	2019: Rp37,106,189 (2018: Rp20,728,853)
SPCK dan PT Bank Central Asia Tbk Fasilitas Time Loan Revolving	Rp100,000,000	Until June 2019	June 2019	Monthly	2019; 9.50% (2018: 9.50%)	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2019: Rp0/Rp0 (2018: Rp20,000,000/ Rp75,000,000)	2019: Rp0 (2018: Rp0)
MKPP and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp100,000,000	Until June 2019	June 2019	Monthly	2019: 9.50% 2018: 9.50%	Undeveloped Land (Note 8)	Working capital	2019: Rp0/ Rp4,388,114 (2018: Rp78,291,021/Rp0)	2019: Rp73,902,906 (2018: Rp78,291,021)
Company and PT Bank OCBC NISP Tbk Demand Loan credit facility	Rp300,000,000	Until May 2019	May 2019	Quarterly	2019: 9.75% (2018: 10.00%)	Company's building (Note 10)	Working capital	2019: Rp125,000,000/ Rp125,000,000 (2018: Rp325,000,000/ Rp230,000,000)	2019: Rp125,000,000 (2018: Rp125,000,000)
BTKV and PT Bank Bumi Arta Tbk * Credit facility Bank overdraft	Rp10,000,000	Untill May 2018	May 2018	Monthly	-	BTKV's fixed assets (Note 9) and 5,000 shares of BTKV	Working capital	2019: Rp0 (2018: Rp0)	2019: Rp0 (2018: Rp0)
Company and PT Bank CIMB Niaga Tbk Time Loan Revolving facility	Rp275,000,000	Until September 2019	September 2019	Monthly	2019: 8.30%-8.65% 2018: 8.30%-8.65%	-	Working capital	2019: Rp270,000,000/ Rp275,000,000 (2018: Rp275,000,000/Rp0)	2019: Rp270,000,000 (2018: Rp275,000,000)
Company and PT Bank Muamalat Indonesia Tbk Credit facility Loan term facility	Rp250,000,000	Until July 2019	July 2019	Monthly	2019: 9.50% (2018: 9.75%- 10.75%)	-	Working capital	2019: Rp50,000,000/ Rp0 (2018: Rp100,000,000/ Rp100,000,000)	2019: Rp50,000,000 (2018: Rp0)

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December, 31
Total short term bank loans	**US$3,000,000 dan Rp2.436.220.000**							**2019: Rp611,377,336/ Rp626,111,066 (2018: Rp2,178,563,691/ Rp1,305,048,123)**	**2019: USD$3,000,000 or equivalent with Rp42,732,000 and Rp1,723,978,073 (2018: USD$3,000,000 or equivalent with Rp43,443,000 and Rp1,738,711,804).**

*In 2018, SPCK, direct subsidiary, has sold part of its ownership in BTKV; therefore, the Company has lost controlling interests. This transaction was recorded as part of investment in associates (Note 1f).

B.1 Long Term Bank Loan

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December, 31
Company and PT Bank Central Asia Tbk Investment credit facility	Rp550,000,000	February 2015 - February 2022	Quarterly installment (second quarter 2018 - first quarter 2022)	Quarterly	2019: 9.00%-9.25% (2018: 9.25%-10.25%)	Land and The Kensington's Apartment building (Note 6)	Construction of The Kensington Royal Suite Apartement	2019: Rp0/ Rp20,625,000 (2018: Rp0/ Rp61,875,000)	2019: Rp467,500,000 (2018: Rp488,125,000)
Company and subsidiaries and PT Bank Central Asia Tbk Investment credit facility	Rp650,000,000 Company: Rp75,000,000, MKOJ: Rp165,000,000, DNMP: Rp70,000,000, SMHO: Rp65,000,000, LTMD: Rp225,000,000, KRIP: Rp50,000,000	September 2013 - September 2021	Installment every quarter (fourth quarter 2016 - third quarter 2021	Quarterly	2019: 9.50% (2018: 9,50%)	Investment properties Company: and restricted time deposit (Notes 10 and 11)	Construction of Hotel Pop! Kelapa Gading MKOJ: Construction of Harris Hotel Bekasi, DNMP; Construction of Plaza Summarecon Bekasi, SMHO: Purchase equipment Hotel Pop! Kelapa Gading and Harris Hotel Bekasi, LTMD: Construction of Summarecon Digital Center, KRIP: Construction of Scientia Business Park	2019: Rp0/ Rp32,500,000 (2018: Rp0/ Rp129,999,999)	2019: Rp336,250,000 (2018: Rp368,750,000)
SPCK and PT Bank Central Asia Tbk Investment credit facility I	Rp100,000,000	July 2014 - September 2021	Quarterly installment - (forth quarter 2016 third quarter 2021)	Quarterly	2019 : 9.50% (2018: 9.50%)	Inventories and undeveloped land (Notes 6 and 7)	Construction of The Spring Club	2019: Rp0/ Rp5,000,000 (2018: Rp0/ Rp20,000,000)	2019: Rp50,000,000 (2018: Rp55,000,000)
Investment credit facility II	Rp200,000,000	June 2015 - June 2021	Quarterly installment - (fourth quarter 2017 second quarter 2021)	Quarterly	2019: 9.50% (2018:9.50%)	Undeveloped land JYBA, JBC and SPCK (Note 7)	General purpose financing capital expenditure and development cost	2019: Rp0/Rp0 (2018: Rp0/ Rp50,000,000)	2019: Rp125,000,000 (2018: Rp125,000,000)

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

B.1 Long Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December, 31
SPCK and PT Bank Central Asia Tbk (continued) Investment credit facility III	Rp400,000,000	March 2016 - January 2022	Quarterly installment (fourth quarter 2018 - first quarter 2022)	Quarterly	2019: 9.50% (2018: 9.50%)	Inventories and undeveloped land (Notes 6 and 7)	Construction house, apartement and infrastructure of Summarecon Serpong	2019: Rp0/ Rp25,000,000 (2018: Rp0/ Rp75,000,000)	2019: Rp300,000,000 (2018: Rp325,000,000)
Investment credit facility IV	Rp425,000,000	November 2017 - November 2024	Quarterly installment	Quarterly	2019: 9.50% (2018: 9.50%)	Inventories and undeveloped land (Notes 6 and 7)	Capital and project development cost apartement, house and infrastructure in Summarecon Serpong area	2019 : Rp0/Rp0 (2018: Rp0/Rp0)	2019: Rp0 (2018: Rp0)
LTMD and PT Bank Central Asia Tbk Investment credit facility II	Rp350,000,000	March 2011 - March 2021	Quarterly installment (second quarter 2013 - first quarter 2021)	Quarterly	2019:9%-10.50% (2018: 9.00% - 10.50%)	Investment properties and temporary account (Notes 10 and 11)	Construction of Summarecon Mal Serpong Stages II	2018: Rp0/ Rp15,750,000 (2018: Rp0/ Rp61,250,000)	2019: Rp126,000,000 (2018: Rp141,750,000)
PMJA, HOPJ and PT Bank Central Asia Tbk Investment credit facility	Rp527,000,000 PMJA: Rp220,000,000 HOPJ: Rp307,000,000	December 2013 - December 2024	Quarterly installment (third quarter 2017 - fourth quarter 2024)	Quarterly	2019: 9.00%-10.25% (2018: 9.00%-10.25%)	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2019: Rp0/Rp0 (2018: Rp11,721,494/ Rp0)	2019: Rp517,402,615 (2018: Rp517,402,617)
Investment credit facility	US$9,800,000 PMJA: US$5,000,000 HOPJ: US$4,800,000	December 2013 - December 2024	Quarterly installment (third quarter 2017 - fourth quater 2024)	Quarterly	2019: 5.50%-5.75% (2018: 5.50%-5.75%)	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2019: US$0 or equal to Rp0/ US$0 or equal to Rp0 (2018: US$20,863 or equal to Rp284,052/ US$0 or equal to Rp0)	2019: US$8,156,668 or equivalent to Rp116,183,577 (2018: US$8,156,668 (Note 31) or equivalent to Rp118,116,707)
SGMC and PT Bank Central Asia Tbk Investment credit facility	Rp200,000,000	November 2017 - November 2023	Quarterly	Monthly	2019: 9.50% (2018: 9.50%)	Undeveloped land (Note 7)	Capital and Project development cost apartement, house and infrastructure in Summarecon Mutiara Makassar area	2019: Rp0/Rp0 (2018: Rp200.000.000/Rp0)	2019: Rp200,000,000 (2018: Rp200,000,000)
MKPP and PT Bank Central Asia Tbk Investment credit facility	Rp500,000,000	June 2016 - June 2024	Quarterly	Monthly	2019: 9.50% (2018: 9.50%)	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Bandung area	2019: Rp0/Rp0 (2018: Rp500,000,000/Rp0)	2019: Rp500,000,000 (2018:Rp500,000,000)

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

B.1 Long Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current period/year drawdown/ principal payment	Balance as of March 31/ December, 31
The company and PT Bank Mandiri (Persero) Tbk Specific transaction credit facility (PTK II)	Rp600,000,000	March 2013 - March 2020	Quarterly start from December 2015 - March 2020	Monthly	2019: 9.75% (2018: 9.75%)	JYBA's undeveloped land and LTMD's investment properties (Notes 7 and 10)	General Purpose	2019: Rp0/ Rp12,500,000 (2018: Rp0/ Rp50,000,000)	2019: Rp430,000,000 (2018: Rp442,500,000)
Specific transaction credit facility (PTK III)	Rp750,000,000	April 2015 - April 2021	Quarterly start from April 2018 - April 2021	Monthly	2019: 9.75% (2018: 9.75%)	Investment properties MKOJ (Note 10)	Financing capital expenditures/working capital in Summarecon Bekasi area	2019: Rp0/Rp0 (2018: Rp0/ Rp80,000,000)	2019: Rp670,000,000 (2018: Rp670,000,000)
KCJA and PT Bank Central Asia Syariah Investment credit facility	Rp250,000,000	December 2018 - December 2026	Quarterly	Monthly	2019: 9.50% (2018: 9.50%)	Undeveloped land (Note 7)	Construction project residential and infrastructure in Bogor area	2019: Rp0/Rp0 (2018: Rp69,557,635/ Rp0)	2019: Rp69,557,635 (2018: Rp69,557,635)
BTKV dan PT Bank Bumi Arta Tbk* Fasilitas Kredit Investasi	Rp42,000,000	June 2012 - June 2022	September 2014 - June 2022	Monthly	2018: 11.75%	Fixed Assets BTKV (Note 9) and 5,000 shares of BTKV	Working capital	2018: Rp0/Rp0	2018: Rp0
Total Long Term Bank Loan	**Rp5,724,000,000 and US$9,800,000**							**2019: US$0 dan Rp0/US$0 and Rp111,375,000 2018 : US$20,863 or equivalent with Rp284,052 dan Rp781,279,129/ US$0 and Rp528,124,999)**	**December 31, 2019: US$8,156,668 or equivalent with Rp116,183,577 and Rp3,791,710,250 December 31, 2018 : US$8,156,668 or equivalent with Rp118,116,707 and Rp3,903,085,252**

*In 2018, SPCK, direct subsidiary, has sold part of its ownership in BTKV; therefore, the Company has lost controlling interests. This transaction was recorded as part of investment in associates (Note 1f).

12. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (CONTINUED)

B.1 Long Term Bank Loan (continued)

Under the loan agreements, the Group (debtors) must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   1. EBITDA to interest expense ratio;
   2. Debt to equity ratio;

b. Debtors must obtain written approval from the Creditor prior to performing the following activities:
   1. Provide loans, act as guarantor/pledgor in any form and with any name and/or pledge the Company's assets to other parties, including but not limited to affiliates, both direct or indirectly related, and to third parties in the amount greater than 20% of the Company's total equity for each transaction, except in the ordinary course of business;
   2. Pay dividends (for certain subsidiaries);
   3. Sell or dispose their major assets used in their business, except under normal business transactions;
   4. Enter into merger, consolidation, acquisition, liquidation;
   5. Amend its articles of association, except increase their capital stock.

As of March 31, 2019 and December 31, 2018, each of the Group are in compliance with all of the debt covenants related to the above short-term bank loans and long-term debts.

B.2 Loan to Financing Institution

PT BCA Finance

The loans from PT BCA Finance represent drawdowns from various consumer financing credit facilities obtained by the Group, which were used to finance the acquisitions of vehicles. The loans are payable in monthly installments at different dates, the latest up to May 8, 2021 and are collateralized by the vehicles purchased (Note 9). The outstanding loans balance as of March 31, 2019 amounted to Rp11,671,212 (2018: Rp13,117,548).

In 2019, the Group has made principal payments totaling Rp2,033,712 (2018: Rp6,391,986).

In 2019 and 2018, the loans bore interest at annual rates ranging from 6.99% to 17.25% (2018: 6.99% sampai dengan 17.25%).

There are no covenants imposed by PT BCA Finance in relation to these loans.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

13. BONDS PAYABLE AND SUKUK IJARAH

The details of bonds issued are as follows:

	March 31, 2019	December 31, 2018
Face Value		
Obligasi Berkelanjutan I Tahap II	800,000,000	800,000,000
Obligasi Berkelanjutan II Tahap I	500,000,000	500,000,000
Obligasi Berkelanjutan II Tahap II	800.000.000	800.000.000
Obligasi Berkelanjutan III Tahap I	416,000,000	416,000,000
Sukuk Ijarah Berkelanjutan I Tahap II	300,000,000	300,000,000
Total face value	**2,816,000,000**	**2,816,000,000**
Less deferred issuance costs (net of current amortization of Rp1,859,588 as of March 31, 2019 and Rp7,906,930 as of December 31, 2018)	(14,157,323)	(16,016,911)
Neto	**2,801, 842,677**	**2,799,983,089**
Less current maturities	(1,098,924,757)	(1,098,443,190)
Long-term portion	**1,702,917,920**	**1,701,539,899**

The details of the above deferred issuance costs and the related accumulated amortization are as follows:

	March 31, 2019	December 31, 2018
Obligasi Berkelanjutan I Tahap I	-	7,336,106
Obligasi Berkelanjutan I Tahap II	6,160,646	6,160,646
Obligasi Berkelanjutan I Tahap III	-	1,124,325
Obligasi Berkelanjutan II Tahap I	8,919,096	8,919,096
Obligasi Berkelanjutan II Tahap II	5.008.601	5.008.600
Obligasi Berkelanjutan III Tahap I	7,147,712	7,147,712
Sukuk Ijarah Berkelanjutan I Tahap I	-	2,504,429
Sukuk Ijarah Berkelanjutan I Tahap II	2,325,993	2,325,994
Sukuk Ijarah Berkelanjutan I Tahap III	-	1,124,325
Total	**29,562,047**	**41,651,233**
Less accumulated amortization of deferred issuance costs (inclusive of current amortization of Rp10,229,598 as of March 31, 2019 and Rp7,906,930 as of December 31, 2018)	(15,404,724)	(25,634,322)
Neto	**14,157,323**	**16,016,911**

Obligasi Berkelanjutan I Tahap I (“OB I Tahap I”)

On December 11, 2013, the Company issued OB I Tahap I with nominal value of Rp450,000,000 with fixed annual interest of 10.85%. Interest is payable quarterly in arrears, which started on March 11, 2014 and continues up to December 11, 2018. The OB I Tahap I was due on December 11, 2018 and was fully paid on its due date.

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

Obligasi Berkelanjutan I Tahap I ("OB I Tahap I") (continued)

The OB I Tahap I has been listed in the Indonesia Stock Exchange since December 11, 2013.

The OB I Tahap I is secured by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}$A+ (single A plus) for the OB I Tahap I in 2018.

Obligasi Berkelanjutan I Tahap II ("OB I Tahap II")

On October 10, 2014, the Company issued OB I Tahap II with nominal value of Rp800,000,000 with fixed annual interest of 11.50%. Interest is payable quarterly in arrears, which will start on January 10, 2015 and continues up to October 10, 2019. The OB I Tahap II will due on October 10, 2019.

The OB I Tahap II has been listed in the Indonesia Stock Exchange since October 10, 2014.

The OB I Tahap II is secured by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of idA+ (single A plus) for the OB I Tahap II in 2019.

Obligasi Berkelanjutan I Tahap III ("OB I Tahap III")

On April 22, 2015, the Company issued OB I Tahap III with nominal value of Rp150,000,000 with fixed annual interest of 10.50%. Interest is payable quarterly in arrears, which will start on July 22, 2015 and continues up to April 22, 2018. The OB I Tahap III was due on April 22, 2018 and was fully paid on its due date.

The OB I Tahap III has been listed in the Indonesia Stock Exchange since April 22, 2015.

The OB I Tahap III is secured by the Company's undeveloped land (Note 7).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}$A+ (single A plus) for the OB I Tahap III in 2018.

Obligasi Berkelanjutan II Tahap I ("OB II Tahap I")

On December 16, 2015, the Company issued OB II Tahap I with nominal value of Rp500,000,000 with fixed annual interest rate of 11.25%. Interest is payable quarterly in arrears, which will start on March 16, 2016 and continues up to December 16, 2020. The OB II Tahap I will due on December 16, 2020.

The OB II Tahap I has been listed in the Indonesia Stock Exchange since December 17, 2015.

The OB II Tahap I is secured by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}$A+ (single A plus) for the OB II Tahap I in 2019.

Obligasi Berkelanjutan II Tahap II ("OB II Tahap II")

On November 28, 2017, the Company issued OB II Tahap II with nominal value of Rp800,000,000 with fixed annual interest rate of 8.80%. Interest is payable quarterly in arrears, which will start on November 28, 2017 and continues up to November 28, 2020. The OB II Tahap I will due on November 28, 2020.

The OB II Tahap II has been listed in the Indonesia Stock Exchange since November 28, 2017.

The OB II Tahap II is secured by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of idA+ (single A plus) for the OB II Tahap II in 2019.

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

Obligasi Berkelanjutan III Tahap II ("OB III Tahap I")

On December 6, 2018, the Company issued OB III Tahap I with nominal value of Rp416,000,000 with fixed annual interest rate of 10.75%. Interest will be paid quarterly, which started on December 6, 2018 and will continue up to September 6, 2021. The OB III Tahap I will due on December 6, 2021.

The OB III Tahap I has been listed in the Indonesia Stock Exchange since December 6, 2018.

The OB III Tahap I is secured by the Company's investment properties (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of idA (single A) for the OB III Tahap I in 2019.

Sukuk Ijarah Berkelanjutan I Tahap I ("SIB I Tahap I")

On December 11, 2013, the Company issued SIB I Tahap I with nominal value of Rp150,000,000, with obligation to pay benefit installment of ijarah amounting to Rp16,275,000 annually for 5 (five) years. Payment of the benefit installment of ijarah is made quarterly in arrears. The SIB I Tahap I was due on December 11, 2018 and was fully paid on its due date.

The SIB I Tahap I has been listed in the Indonesia Stock Exchange since December 11, 2013.

The SIB I Tahap I is guaranteed by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}A+_{(sy)}$ (single A plus syariah) for the SIB I Tahap I in 2018.

Sukuk Ijarah Berkelanjutan I Tahap II ("SIB I Tahap II")

On October 10, 2014, the Company issued SIB I Tahap II with a nominal value of Rp300,000,000, with obligation to pay benefit installment of ijarah amounting to Rp34,500,000 annually, payable over 5 (five) years which started on October 10, 2014 and continues up to October 10, 2019. Payments of the benefit installment of ijarah are made quarterly in arrears. The SIB I Tahap II will due on October 10, 2019.

The SIB I Tahap II has been listed on the Indonesia Stock Exchange since October 10, 2014.

The SIB I Tahap II is guaranteed by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}A+_{(sy)}$ (single A plus syariah) for the SIB I Tahap II in 2019.

Sukuk Ijarah Berkelanjutan I Tahap III ("SIB I Tahap III")

On April 22, 2015, the Company issued SIB I Tahap III with a nominal value of Rp150,000,000 with obligation to the benefit installment of ijarah amounting to Rp15,750,000 annually, payable over 3 (three) years which started on July 22, 2015 and continues up to April 22, 2018. Payments of the benefit installment of ijarah are made quarterly in arrears. The SIB I Tahap III was due on April 22, 2018 and was fully paid on its due date.

The SIB I Tahap III has been listed on the Indonesia Stock Exchange since April 22, 2015.

The SIB I Tahap III is guaranteed by the Company's investment property (Note 10).

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of $_{id}A+_{(sy)}$ (single A plus syariah) for the SIB I Tahap III in 2019.

Based on the minutes of meetings of the bond holders and sukuk ijarah holders ("holders"), the holders agreed that:
- 70% of the funds generated from the issuance of OB I Tahap I and SIB I Tahap I will be used for the property development of the Group and about 30% will be used for working capital;
- 90% of funds generated from the issuance of the OB I Tahap II and SIB I Tahap II, will be used for business expansion in property across areas and about 10% will be used for working capital;

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

Based on the minutes of meetings of the bond holders and sukuk ijarah holders (“holders”), the holders agreed that (continued):

- 100% of funds generated from the issuance of the OB I Tahap III and SIB I Tahap III will be used for business expansion in property across areas;
- 70% of the funds generated from the issuance of OB II Tahap I will be used for property development of the Group and about 30% will be used for working capital.
- 100% of funds generated from the issuance of the OB II Tahap II will be used for settle all or part of obligasi and/or sukuk, and/or Company’s bank loan and/or subsidiaries.

Based on Perjanjian Perwaliamanatan Obligasi (OB Tahap I, II & III, SIB Tahap I, II & III) between the Company and PT Bank CIMB Niaga Tbk as a trustee and Obligasi (OB II Tahap I & II) between the Company and PT Bank Permata Tbk as a trustee, the Company is required to comply with the following covenants:

a. Maintain certain financial ratios:
   (1) Interest-bearing debt to equity ratio of not more than 3:1;
   (2) EBITDA to interest expense ratio of not less than 1:1;
   (3) Collateral value, which should be appraised every year by an appraiser registered with BAPEPAM-LK, to the bonds payable of not less than 1:1.

   The Company complied with all the above financial ratio requirements.

b. The Company is not allowed to conduct the following activities, without the prior consent of the trustee:
   (1) Pay or make or distribute payments to others in the current year as long as the Company default to make payments of its obligation to the bondholders;
   (2) Provide loans to other parties;
   (3) Enter into merger, consolidation, acquisition, liquidation;
   (4) Change the Company’s major activities; and
   (5) Decrease their respective authorized capital stock, issued and fully paid capital stock.

As of March 31, 2019 and December 31, 2018, the Company have complied with the covenants stated in the agreements on the bonds and sukuk ijarah.

14. TRADE PAYABLES TO THIRD PARTIES

Trade payables to third parties consist of purchases of goods and services from the following:

	March 31, 2019	December 31, 2018
Suppliers	56,300,206	68,553,668
Office construction contructors	3,168,671	4,352,321
House construction contructors	1,363,835	1,364,256
Infrastructure construction contructors	1,281,645	1,413,183
Apartment construction contructors	513,800	517,233
Others	551,254	540,107
Total trade payables to third parties	**63,179,411**	**76,740,768**

The details of trade payables to third parties based on their original currencies (Note 31) are as follows:

	March 31, 2019	December 31, 2018
Rupiah	59,043,508	72,539,820
United States dollar (US$257,216 in March 31, 2019 and December 31, 2018)	3,663,780	3,724,740

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

14. TRADE PAYABLES TO THIRD PARTIES

The details of trade payables to third parties based on their original currencies (Note 31) are as follows:

	March 31, 2019	December 31, 2018
Singapore dollar (Sin$25,882 in March 31, 2019 and December 31, 2018)	271,950	274,430
Thailand Baht (THB259,521 in March 31, 2019 and December 31, 2018)	116,282	115,457
European Euro (Euro3,870 in March 31, 2019 and December 31, 2018)	61,902	64,086
Australian dollar (AUD$2,178 in March 31, 2019 and December 31, 2018)	21,989	22,235
Total trade payables to third parties	**63,179,411**	**76,740,768**

There are no Company's assets collateralized in relation to trade payables to third parties as of March 31, 2019.

15. OTHER PAYABLES

Other payables are liabilities consist of:

	March 31, 2019	December 31, 2018
Third parties:		
Deposit payable	183,000,327	158,853,268
Deferred lease income	16,669,475	16,669,475
Others (each below Rp10,000,000)	73,270,220	96,855,863
Total other payables	**272,940,022**	**272,378,606**
Less current maturities	(261,906,518)	(261,345,102)
Long-term portion	**11,033,504**	**11,033,504**

16. ACCRUED EXPENSES

This account consists of accruals for:

	March 31, 2019	December 31, 2018
Development of project, infrastructure, social and public facilities	950,222,979	715,046,135
Interest expense	91,836,932	118,697,261
Promotion	57,933,599	57,842,070
Repairs and maintenance	31,639,871	41,679,296
Electricity, water and telephone	26,588,216	24,999,398
Others (each below Rp15,000,000)	73,216,901	68,011,482
Total accrued expenses	**1,231,438,498**	**1,026,275,642**

As of March 31, 2019 and December 31, 2018, accruals of infrastructures, social and public facilities were provided for new projects of the Group which are involved in property development. The accruals were computed based on cost per square meter (sqm) to be spent on the area to be developed as infrastructures, social and public facilities.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

17. TAXATION

	March 31, 2019	December 31, 2018
a. Prepaid taxes consists of:		
Income tax - art. 21	3,054	3,407
Income tax - art. 22	192	155
Income tax - art. 23	1,014,407	719,530
Final tax expense	174,233,138	159,558,970
Value added tax	94,615,655	92,297,385
Claim tax for refund	933,420	252,396
Total prepaid taxes	**270,799,866**	**252,831,843**

	March 31, 2019	December 31, 2018
b. Taxes payable consists of:		
Income tax		
Article 21	4,392,138	4,476,826
Article 23	2,029,572	4,228,629
Article 25	1,642	-
Article 26	315,946	714,571
Article 29	3,695,059	2,547,071
Final income tax	36,987,506	41,487,805
Development tax	6,383,748	7,827,568
Total taxes payable	**53,805,611**	**61,282,470**

18. EMPLOYEE BENEFITS LIABILITIES

The Company and its subsidiaries provide benefits to their qualified employees based on the provisions of Labor Law No. 13/2003 dated March 25, 2003. The benefits are funded, except for PT Summarecon Hotelindo and PT Hotelindo Permata Jimbaran.

The Group defined contribution pension plan for all eligible employees. The Company's contribution to the pension fund is calculated at 1% of their pensionable salaries , while the employees' monthly dues equal to 2.5 % of their pensionable salaries. The Group enroll eligible employees at Manulife Retirement Program (MPP) an additional pension program. The pension plan is organized by Pension Fund Manulife Indonesia, the establishment of which was approved by the Minister of Finance on September 17, 2002. Starting in February 2006 , the Company has temporarily stopped contributions to DPLK and MPP for sufficient funds to pay withdrawals in large quantities. Subsequently, in September 2014 , the Company also enroll eligible employees in the Pension Plan for Severance Compensation organized by Dana Pensiun Fund Central Asia Raya (DPLK CAR).

19. DOWNPAYMENT RECEIVED AND SECURITY DEPOSITS

This account consists of:

	March 31, 2019	December 31, 2018
Downpayments received from the sale of:		
Related parties (Note 30)		
Shops	5,133,801	5,133,801

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

19. DOWNPAYMENT RECEIVED AND SECURITY DEPOSITS (CONTINUED)

This account consists of: (continued)

	March 31, 2019	December 31, 2018
Downpayments received from the sale of: (continued)		
Related parties (Note 30) (continued)		
Houses	687,934	1,628,186
Third parties		
Houses	2,789,634,647	2,321,451,331
Shops	841,001,911	860,529,087
Apartements	83,658,638	62,736,846
Office	60,585,989	79,027,007
Landplots	22,710,676	40,890,369
Others	11,746,357	12,685,262
Total downpayments received	3,815,159,953	3,384,081,889
Customer deposits for:		
Related parties		
Rent	6,641,643	5,428,900
Telephone	91,000	54,000
Others	111,594	64,208
Third parties		
Rent	118,132,027	111,519,010
Others	53,438,491	47,818,440
Total customer deposits	178,414,755	164,884,558
Total downpayment received and security deposits	3,993,574,708	3,548,966,447
Less current maturities	(1,354,897,835)	(1,637,058,579)
Long-term portion	**2,638,676,872**	**1,911,907,868**

20. UNEARNED REVENUES

This account consists of unearned rental revenues of:

	March 31, 2019	December 31, 2018
Related parties		
Commercial and others	2,022	-
Third parties		
Mal and retail	430,126,318	414,841,149
Commercial and others	75,230,005	70,195,009

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

20. UNEARNED REVENUES (CONTINUED)

This account consists of unearned rental revenues of:

	March 31, 2019	December 31, 2018
Third parties (continued)		
Residential	1,496,408	1,960,932
Office	1,190,873	1,258,573
Total unearned revenues	**508,045,626**	**488,255,663**
Less current maturities	(447,887,550)	(435,221,014)
Long-term portion	**60,158,076**	**53,034,649**

21. NON-CONTROLLING INTERESTS

The details of Non-controlling interests in the consolidated Subsidiaries are as follows:

	March 31, 2019	December 31, 2018
SPCK and Subsidiaries	1,131,135,209	1,148,370,899
SMPD and Subsidiaries	1,050,331,409	971,433,740
SMIP and Subsidiaries	24,744,255	35,239,711
BTKB	1,784,190	2,069,079
BHMS	3	3
Total equity attributable to Non-controlling interests	**2,207,995,066**	**2,157,113,432**

As of June 30, 2018, there was capital contribution amounting Rp90,650,000 from non-controlling interests of SMPD and subsidiaries.

Total comprehensive loss attributable to Non-controlling interests for the three-months period ended March 31, 2019 amounted to Rp60,879,751 (2018: Rp43,314,250).

22. SHARE CAPITAL

The details of the Company's share ownership as of March 31, 2019 is as follows:

	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	20,750,000	0.14	2,075,000
Director			
Liliawati Rahardjo	121,345,000	0.84	12,134,500
Ownership of 5% or more			
PT Semarop Agung	4.836,415,914	33.52	483,641,591
PT Sinarmegah Jayasentosa	951,576,224	6.60	95,157,622

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

22. SHARE CAPITAL (CONTINUED)

The details of the Company's share ownership as of March 31, 2019 is as follows: (continued)

	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Ownership of 5% or more (continued)			
BNYMSANV RE AMS RE Stichting D APG ST RE E ES Pool-2039846201	810,000,000	5.61	81,000,000
Others (each below 5% ownership)	7,686,694,542	53.29	768,669,455
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

The details of the Company's share ownership as of December 31, 2018 is as follows:

	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	21,000,000	0.15	2,100,000
Director			
Liliawati Rahardjo	121,345,000	0.46	12,134,500
Ownership of 5% or more			
PT Semarop Agung	4,840,662,914	33.52	484,066,291
PT Sinarmegah Jayasentosa	951,576,224	6.60	95,157,622
BNYMSANV RE AMS RE Stichting D APG ST RE E ES Pool-2039846201	810,000,000	5.61	81,000,000
Others (each below 5% ownership)	7,682,197,542	53.25	768,219,755
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

23. ADDITIONAL PAID-IN CAPITAL

As of March 31, 2019 and December 31, 2018, this account arose from following:

	March 31, 2019	December 31, 2018
Share premium	721,671,346	721,671,346
Other paid-in capital	17,103,214	17,103,214
Differences in value from transaction of entities under common control	5,560,839	5,560,839
Bonus shares	(721,339,084)	(721,339,084)
Total	**22,996,315**	**22,996,315**

Share premium represents the excess of the amounts received and/or the carrying value of converted warrants over the par value of the shares issued after offsetting all stock/warrant issuance costs.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

23. ADDITIONAL PAID-IN CAPITAL

Other paid-in capital represents the excess of the carrying value of shares distributed as dividends over the par value of the shares issued.

Differences in value from transactions of entities under common control represent the differences between the acquisition cost and the book value of a subsidiary which was acquired indirectly by other subsidiaries from Soetjipto Nagaria (controlling party) using the pooling-of-interests method in 2012.

24. APPROPRIATED RETAINED EARNINGS - GENERAL RESERVE

In accordance with Article No. 70 of the Indonesian Corporation Law No. 40 of 2007, the Company must allocate a certain portion of its annual net income for the establishment of a reserve at an amount equal to 20% of its issued capital stock. Based on the minutes of stockholders' annual general meetings held on June 7, 2018, the Company stockholders approved the appropriation of general reserve amounting to Rp5,094,519.

As of March 31, 2019, the balances of the general reserve are less than 20% of the issued and fully paid capital stock. The additional reserve will be made after obtaining the approval from the stockholders in their next annual meeting.

25. CASH DIVIDENDS

In the stockholders' annual general meetings held on June 7, 2018, the Company's stockholders approved the cash dividend distribution amounting to Rp5 (full amount) per share or equivalent to Rp72,133,908.

As of March 31, 2019, the dividend payable balance amounted to Rp2,048,231 (2018: Rp2,048,231), which is presented as part of "Other Payables" in the consolidated statement of financial position (Note 15).

26. NET REVENUES

The details of net revenues are as follows:

	For the three-months period ended March 31,	
	2019	**2018**
Property Development		
Related parties		
Apartments	7,520	1,463,167
Third parties		
Houses	122,154,980	177,077,969
Apartments	101,040,359	454,069,609
Landplots	131,766,105	20,319,517
Shops	155,517,160	20,799,335
Office	23,187,042	-
Others	6,707,969	6,004,096
Sub-total	540,381,135	679,733,693

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

26. NET REVENUES (CONTINUED)

The details of net revenues are as follows:

	For the three-months period ended March 31, 2019	For the three-months period ended March 31, 2018
Investment Properties		
Related parties		
Mal and retail	10,545,070	12,992,830
Commercial and others	747,608	716,118
Office	333,659	315,798
Third parties		
Mal and retail	337,708,926	319,752,065
Commercial and others	8,461,329	8,817,614
Office	6,101,397	7,449,348
Residential	1,133,800	1,998,475
Sub-total	365,031,789	352,042,248
Others		
Related parties		
Estate and property management	24,562	27,507
Others	379,096	-
Third parties		
Hotel	74,566,565	73,719,893
Estate and property management	52,106,048	39,743,982
Healthcare	-	27,535,798
Leisure	16,545,312	17,334,502
Others	11,649,820	7,264,928
Sub-total	155,271,403	165,626,610
Net revenues	**1,060,684,327**	**1,197,402,551**

The percentage of revenues from sales to related parties to net revenues accounted for 1.13% as of March 31, 2019 (2018: 1.29%).

As of March 31, 2019 and 2018, no revenues exceeding 10% of annual net revenues were earned from any single customer.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

27. COST OF SALES AND DIRECT COSTS

The details of cost of sales and direct costs are as follows:

	For the three-months period ended March 31, 2019	2018
Property Development		
Houses	71,216,696	77,864,050
Apartments	65,657,388	296,806,545
Landplots	34,667,106	3,283,027
Shops	43,846,276	9,487,506
Sub-total	215,387,466	387,441,128
Investment Properties		
Mal and retail	147,984,320	147,441,944
Commercial and others	4,779,073	4,550,920
Office	4,876,198	4,696,418
Residential	810,010	1,041,553
Sub-total	158,449,601	157,730,835
Leisure and Hospitality		
Hotel	49.213.089	50.713.663
Estate and property management	39.534.264	29.944.778
Healthcare	-	16.635.777
Leisure	12.798.592	11.387.808
Others	9.111.733	6.318.923
Sub-total	110.657.678	115.000.949
Total cost of sales and direct costs	**484.494.745**	**660.172.912**

For the three-months periods ended March 31, 2019 and 2018, no purchases exceeding 10% of net revenues were made from any single supplier.

28. OPERATING EXPENSES

The details of operating expenses are as follows:

	For the three-months period ended March 31, 2019	2018
Selling expenses		
Promotion and advertising	49,108,997	34,387,990
Sales commissions	13,314,933	14,565,270

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

28. OPERATING EXPENSES (CONTINUED)

The details of operating expenses are as follows: (continued)

	For the three-months period ended March 31,	
	2019	**2018**
Selling expenses (continued)		
Others (each below Rp10,000,000)	12,905,360	10,729,080
Total selling expenses	75,329,290	59,682,340
General and administrative expenses		
Salaries and employee benefits	121,106,147	118,036,206
Depreciation (Notes 9 and 10)	24,812,712	22,282,622
Corporate events	4,747,927	4,493,444
Travelling and transportation	4,332,458	3,585,391
Others (each below Rp4,000,000)	34,861,853	39,145,820
Total general and administrative expenses	189,861,097	187,543,483
Total operating expenses	**265,190,387**	**247,225,823**

29. FINANCE COSTS

The details of finance costs are as follows:

	For the three-months period ended March 31,	
	2019	**2018**
Interest expenses:		
Bonds payable	74,764,654	87,788,308
Loans from banks	109,881,705	63,208,462
Loans from financing institutions	278,495	248,497
Other payables	-	2,709,759
Others (each below Rp10,000,000)	5,653,745	10,894,812
Total finance costs	**190,578,599**	**164,849,838**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Group, in its regular conduct of business, has engaged in transactions with related parties. The balances of the accounts and transactions are as follows:

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	March 31, 2019	**December 31, 2018**	**March 31, 2019**	**December 31, 2018**
Trade Receivables, current				
Entity under common control				
PT Maju Lestari Kreasi	23,753,684	28,480,956	0.0993	0.1222
PT Sulisman Graha	16,845,454	16,845,454	0.0704	0.0723
PT Star Maju Sentosa	1,654,115	4,249,840	0.0069	0.0182
Other related parties				
PT Maktosa Jaya Indah	158,463	198,079	0.0007	0.0009
PT Centrapacific Nusajaya	81,519	101,899	0.0003	0.0004
Key management personnel				
Harto Djojo Nagaria	542,218	809,770	0.0023	0.0035
Nanik Widjaja	287,724	383,632	0.0012	0.0016
Edwin Ekaputra Halim	-	62,641	-	0.0003
Soetjipto Nagaria	-	43,206	-	0.0002
Thomas Lundi Halim	-	28,710	-	0.0001
Soegianto Nagaria	-	23,533	-	0.0001
Herman Nagaria	-	4,703	-	0.0000
Total trade receivables, current	43,323,177	51,232,423	0.1811	0.2198
Trade Receivables, non-current				
Entity under common control				
PT Sulisman Graha	1,707,578	4,268,941	0.0071	0.0183
Total trade receivables	**45,030,755**	**55,501,364**	**0.1882**	**0.2381**
Due from related parties, current				
Joint venture				
PT Jakartabaru Cosmopolitan	44,561,189	43,169,875	0.1863	0.1853
Due from related parties, non-current				
Entity under common control				
Yayasan Inti Prima Bangsa	30,698,046	30,267,626	0.1284	0.1299
PT Star Maju Sentosa	245,059	721,126	0.0010	0.0031
Total due from related parties, non-current	30,943,105	30,988,752	0.1296	0.1330
Total due from related parties	**75,504,294**	**74,158,627**	**0.6962**	**0.3183**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The Group, in its regular conduct of business, has engaged in transactions with related parties. The balances of the accounts and transactions are as follows: (continued)

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Downpayments received and security deposits, current				
Key management personnel				
Harto Djojo Nagaria	3,269,859	3,269,769	0.0222	0.0230
Soegianto Nagaria	5,688	5,329	0.0000	0.0000
Liliawati Rahardjo	4,599	6,466	0.0000	0.0000
Adrianto P. Adhi	3,671	3,432	0.0000	0.0000
Herman Nagaria	2,068	1,955	0.0000	0.0000
Other related parties				
PT Maktosa Jaya Indah	693,512	1,057,924	0.0047	0.0074
Theresia Mareta	3,832	3,569	0.0000	0.0000
Entity under common control				
PT Star Maju Sentosa	164,492	164,492	0.0011	0.0012
Total downpayments received and security deposits, current	4,147,721	4,512,936	0.0281	0.0316
Downpayments received and security deposits, non-current				
Entity under common control				
PT Star Maju Sentosa	6,652,551	5,354,908	0.0451	0.0376
Key management personnel				
Herman Nagaria	1,865,700	1,865,700	0.0126	0.0131
Other related parties				
PT Maktosa Jaya Indah	-	575,551	-	0.0040
Total downpayments received and security deposits, non-current	8,518,251	7,796,159	0.0578	0.0547
Total downpayments received and security deposits	**12,665,972**	**12,309,095**	**0.0858**	**0.0863**

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Due to related parties, current				
Key management personnel				
Soetjipto Nagaria	1,396,600	1,396,600	0.0095	0.0098
Other related parties				
Sumitomo Forestry (Singapore) Ltd	155,184	143,754	0.0011	0.0010
Total due to related parties	**1,551,784**	**1,540,354**	**0.0106**	**0.0108**
Deferred income, current				
Other related parties				
PT Maktosa Jaya Indah	2,022	-	0.0000	-
Total deferred income	**2,022**	**-**	**0.0000**	**-**

	Balance as of		Percentage from consolidated total revenues (%)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net revenues				
Key management personnel				
Harto Djojo Nagaria	8,784	375,853	0.0000	0.0314
Soegianto Nagaria	5,111	4,928	0.0000	0.0004
Liliawati Rahardjo	4,881	260,078	0.0000	0.0217
Adrianto P. Adhi	3,427	3,304	0.0000	0.0003
Herman Nagaria	1,608	91,296	0.0000	0.0076
Ge Lilies Yamin	-	583,925	-	0.0487
Lexy Arie Tumiwa	-	2,772	-	0.0002
Entity under common control				
PT Star Maju Sentosa	10,878,729	13,308,628	1.0256	1.1104
Other related parties				
Yayasan Syiar Bangsa	747,608	716,118	0.0705	0.0597
Yayasan Inti Prima Bangsa	379,096	-	0.0357	-
PT Maktosa Jaya Indah	4,538	110,253	0.0004	0.0092
Theresia Mareta	3,733	3,599	0.0004	0.0003
PT Centrapacific Nusajaya	-	54,666	-	0.0046
Net revenues	**12,037,515**	**15,515,420**	**1.1349**	**1.2945**

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The amounts due from and due to related parties resulting from non-trade transactions are non-interest bearing and have no fixed repayment dates. This transaction is based on the terms agreed by both parties. Such requirements may not be the same as other transactions conducted by parties who are not related.

The nature of related party relationships and of the transactions with the related parties is as follows:

Related parties	Relationship	Transactions
PT Maju Lestari Kreasi	Under common control	Sale of landplot
PT Sulisman Graha	Under common control	Sale of landplot
PT Star Maju Sentosa	Under common control	Space rental, rental deposit
PT Maktosa Jaya Indah	Stockholder	Sale of apartment
PT Centrapacific Nusajaya	Other	Sale of apartment
Harto Djojo Nagaria	Commissioner	Sale of apartment, deposit and income of estate management
Nanik Widjaja	Director	Sale of apartment and shops
Edwin Ekaputra Halim	Key management personel	Income from hotel
Soetjipto Nagaria	Key management personel	Non trade payable
Thomas Lundi Halim	Key management personel	Income from hotel
Soegianto Nagaria	Director	Sale of apartment, deposit and income of estate management
Herman Nagaria	Director	Sale of apartment, deposit and income of estate management
PT Jakartabaru Cosmopolitan	Joint venture	Payable on profit sharing
Yayasan Inti Prima Bangsa	Others	Management fee
Liliawati Rahardjo	Director	Sale of apartment
Adrianto P. Adhi	President Director of the Company	Deposit and income of estate management
Theresia Mareta	Close family member of Director	Income of estate management
Sumitomo Forestry Singapore Ltd.	Others	Payable on technical fee
Ge Lilies Yamin	Key management personel	Sale of apartment, deposit and income of estate management
Lexy Arie Tumiwa	Key management personel	Sale of shop, house, landplot, apartment, deposit and income of estate management
Yayasan Syiar Bangsa	Other	Space rental

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

31. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of March 31, 2019 and December 31, 2018, the Group has monetary assets and liabilities denominated in foreign currencies, as follows:

	March 31, 2019			December 31, 2018		
	Foreign Currency		Rupiah Equivalent	Foreign Currency		Rupiah Equivalent
Assets						
Cash and cash equivalents						
U.S. Dollar	US$	4.841.215	68,958,268	US$	4,881,826	70,693,727
European Euro	Euro	173.700	2,778,387	Euro	164,168	2,718,583
Australian Dollar	AUD	11.883	119,997	AUD	11,883	121,340
Others	-		39,328		-	39,400
Total assets in foreign currencies			71,895,980			73,573,050
Liabilities						
Short-term bank loan						
U.S Dollar	US$	3,000,000	42,732,000	US$	3,000,000	43,443,000
Long-term bank loan						
U.S Dollar	US$	8,156,668	116,183,577	US$	8,156,668	118,116,707
Trade payables						
U.S Dollar	US$	257,216	3,663,780	US$	257,216	3,724,740
Euro Eropa	Euro	3,870	61,902	Euro	3,870	64,086
Thailand Baht	THB	259,521	116,282	THB	259,521	115,457
Singapore Dollar	Sin$	25,882	271,950	Sin$	25,882	274,430
Australian Dollar	AUD	2,178	21,989	AUD	2,178	22,235
Accrued expenses						
U.S Dollar	US$	381,849	5,439,060	US$	381.849	5.529.558
Total liabilities in foreign currencies			168,490,540			171.290.213
Liabilities in foreign currencies, net			**(96,594,560)**			**(97,717,163)**

32. OPERATING SEGMENT

	As of March 31, 2019 and for the three-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenues	540,381,135	365,031,789	91,111,877	64,159,526	1,060,684,327
Gross profit	324,993,669	206,582,188	29,100,196	15,513,529	576,189,582
Income from operations	148,729,474	154,500,208	12,257,178	(3,093,527)	312,393,333
Finance income					29,050,121
Finance costs					(190,578,599)
Equiy in net income of associates					2,344,412

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

32. OPERATING SEGMENT (CONTINUED)

	As of March 31, 2019 and for the three-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Profit before final tax and income tax expense					**153,209,267**
Final tax expense					(49,032,536)
Profit before income tax expense					**104,176,731**
Income tax expense					(1,051,819)
Profit for the period					**103,124,912**
Other information					
Segment assets	18,833,210,796	4,449,806,935	330,054,865	303,982,026	23,917,054,622
Segment liabilities	12,577,182,813	1,905,952,778	157,549,746	119,502,300	14,760,187,637
Acquisition of fixed assets and investment properties	11,623,265	22,810,473	1,227,638	5,732,573	41,393,949
Depreciation	8,868,145	50,140,495	6,110,821	7,796,061	72,915,522

	As of March 31, 2018 and for the three-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenues	679,733,693	352,042,248	91,054,395	74,572,215	1,197,402,551
Gross profit	291,602,774	194,417,729	29,536,398	21,672,738	537,229,639
Income from operations	136,697,046	141,135,838	11,153,130	2,229,163	291,215,177
Finance income					14,782,915
Finance costs					(164,849,838)
Profit before final tax and income tax expense					**141,148,254**
Final tax expense					(55,994,818)
Profit before income tax					**85,153,436**
Income tax expense					-
Profit for the period					**85,153,436**
Other information					
Segment assets	16,579,677,868	4,516,859,728	340,936,066	300,444,050	21,737,917,712
Segment liabilities	11,084,876,032	1,990,839,813	193,992,707	114,462,950	13,384,171,502
Acquisition of fixed assets and investment properties	4,440,591	19,960,591	3,160,961	893,697	28,455,840
Depreciation	9,200,565	51,025,223	11,504,504	4,409,234	76,139,526

33. SIGNIFICANT AGREEMENTS AND COMMITMENTS

a. On March 8, 2018, PT Bhakti Karya Bangsa (BTKB) given credit facility to Yayasan Pendidikan Inti Prima Bangsa (YIPB), with plafond up to Rp18,784,000,000. This credit facility has a term of 60 Months and will mature on March 8, 2023. This credit facility bears an interest rate of 11.25% per annum and will be paid monthly.

b. The Company and certain subsidiaries entered into agreements with several banks, wherein such banks will provide credit facilities to the buyers of shops, commercial building, apartments of the Company and certain subsidiaries. In general, the agreements valid until undetermined time since the agreement has been arrenged. In the agreements, the Company and certain subsidiaries will be fully responsible and act as guarantor for the payment of all amounts due to the Bank including, principal and other costs incurred in the loan agreements made by and between the Buyer/Debtor with the Bank (buy back guarantee):
   1. Before the buyer/debtor has signed Deed of Sale and Purchase (AJB),
   2. Before the buyer/debtor has signed Deed of Mortgage Agreement (APHT) and or,
   3. The buyer/debtor buyers had neglected its obligation to pay the installment for three months in succession to the Bank.

   Guarantee will be provided as AJB has not been signed. This guarantee can not be withdrawn or revoked during AJB on certificate of Unit Rights and APHT has not been signed, and have not been submitted and accepted by the bank.

c. On September 19, 2017, based on notarial deed No. 64 of Dewi Himijati Tandika, S.H., SPCK entered into an operational agreement named KSO Summarecon Lestari Lakeview (KSO SLL) with PT Lestari Kreasi (LK) to develop the land owned by PT Lestari Kreasi located in Tangerang. Profit or loss from operations will be distributed with percentages of 75% for SPCK and 25% for LK. Subsequently, based on notarial deed No. 62 dated January 31, 2019 of Dewi Himijati Tandika, S.H., distribution of profit of loss from operations now become 70% for SPCK and 30% for LK. This agreement is valid for 10 years until September 18, 2027.

d. On September 19, 2017, based on notarial deed No. 65 of Dewi Himijati Tandika, S.H., SPCK entered into an operational agreement named KSO Summarecon Variatata Serpong (KSO SVS) with PT Variatata (VT) to develop the land owned by PT Variatata located in Curug, Tangerang. Profit or loss from operations will be distributed with percentages of 70% for SPCK and 30% for VT. Subsequently, based on notarial deed No. 63 dated January 31, 2019 of Dewi Himijati Tandika, S.H., distribution of profit of loss from operations now become 80% for SPCK and 20% for VT. This agreement is valid for 10 years until September 18, 2027.

e. Based on notarial deed No. 39 dated July 21, 2004 of Dewi Himijati Tandika, S.H., SPCK entered into a joint operation known as KSO Summarecon Serpong under an agreement with PT Jakartabaru Cosmopolitan (JBC). Under the agreement, both parties agreed to collaborate in developing 400 hectares of land belonging to JBC in Perumahan Gading Serpong Permai, Tangerang. Income or loss from operations will be distributed at 70% for SPCK and 30% for JBC. Subsequently, based on notarial deed No. 65 dated January 31, 2019 of Dewi Himijati Tandika, S.H., distribution of profit of loss from operations now become 80% for SPCK and 20% for JBC. This agreement is valid for a period of 10 years until July 18, 2029.

f. On July 30, 2009, SPCK entered into a joint operation, known as KSO Summarecon Lakeview (KSO-SL), with TGS and LK. Under the terms of the agreement, the parties agreed to collaborate to develop an area known as East Business Unit Land belonging to TGS. KSO-SL has been appointed as the sole party to develop, sell and manage the East Business Unit Land for a period of 10 years until April 29, 2019, and has been extended until April 29, 2029. The parties agreed that the net profit from the joint operation shall be distributed to the parties in the following manner: TGS at 5%, LK at 40% and SPCK at 55%. However, loss from the KSO operations, if any, shall be borne only by SPCK and LK in their respective proportions.

g. On November 13, 2017, PT Bintang Mentari Indah (BNMI) obtained a credit facility from PT Permata Cahaya Indah (PCI), a related party, amounting to Rp70,000,000. This credit facility matures in 1 year and can be extended under the agreement of both parties. This credit facility bore an interest at 9.00% per annum. In September 2018, BNMI has made payment for this loan.

33. SIGNIFICANT AGREEMENTS AND COMMITMENTS (CONTINUED)

h. In 2016, PT Inovasi Jaya Properti (IVJP) and PT Bintang Mentari Indah (BNMI) obtained a credit facility from PT Sulisman Graha (SLG), a related party, amounting to Rp16,000,000 and Rp65,000,000, respectively. In 2017, BNMI obtained an additional facility amounting to Rp15,000,000, which bring the total credit facility to Rp80,000,000. This credit facility will mature in 1 year and can be extended under the agreement of IVJP and BNMI with SLG. This credit facility bore an annual interest of 9.25% in 2016, 9% in 2017 and 2018. In September 2018, IVJP and BNMI have made payment for this loan.

i. On May 1, 2017, PT Hotelindo Permata Jimbaran (HOPJ) entered into tradename and trademark agreement with Soho Hospitality Co.,Ltd, wherein HOPJ is authorized to use the name “Above Eleven” and the café will be named “Above Eleven, Bali”. HOPJ agreed to pay royalties to Soho Hospitality Co., Ltd. as compensation, which is computed at the rate in accordance with the terms of the agreement. This agreement is valid for 5 years.

j. On July 28, 2016, PT Bhakti Karya Bangsa (BTKB) entered into an operational agreement with Yayasan Inti Prima Bangsa (YPIB), whereby BTKB agreed to collaborate with YPIB in reforming the quality of education and management system in YPIB, also to elevate Sekolah Tinggi Manajemen Informatika dan Komputer Inovasi Sains Teknologi dan Bisnis (STMIK ISTB) to a university with an international level of competency standard.

k. In March 2014, PT Nirwana Jaya Semesta (NWJS) entered into the following agreements with PT AAPC Indonesia (AAPC):
   1. Hotel Technical Assistance Agreement, wherein AAPC agreed to provide technical assistance and consultation for the construction of Novotel Hotel located in Slipi, Jakarta. NWJS agreed to pay a fee as agreed based on agreement for the service rendered by AAPC. This agreement is valid until the opening and commencement of operations of the Hotel.

   2. Hotel Management Agreement, wherein AAPC is engaged as the operator of Novotel Hotel, Jakarta. As compensation, AAPC is entitled to receive fees, which are computed at the rate in accordance with the terms of the agreement.

l. In November 2014, PT Summarecon Hotelindo (SMHO) entered into the following agreements with Pop! International Hotels Corporation (PIHC) and PT Tauzia International Management (Tauzia) as follow:

   1. Tradename and Trademark License Agreements, wherein SMHO is authorized to use the name “Pop Hotels” and its hotel will be named “Pop! Hotel Kelapa Gading”. SMHO agreed to pay royalty as compensation, in accordance with the terms of the agreement, at the rate of 2.5% of total revenue. This agreement is valid for 10 years starting from the commercial operations of the hotel.

   2. Hotel Management Agreement, wherein Tauzia is engaged as the operator of Pop! Hotel Kelapa Gading. Tauzia is entitled to receive fees which are computed at the rate in accordance with the terms of the agreement.

m. In December 2011, PT Hotelindo Permata Jimbaran (HOPJ) entered into the following agreements with Movenpick Hotels and Resort Management AG (MH&R) as follows:

   1. Marketing and Hotel Services Agreement with MH&R, wherein MH&R agreed to provide hotel management services including human resource development, marketing and reservations. MH&R is entitled to receive contribution and marketing fees as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years starting from the commercial operations of the hotel.

   2. Tradename and Trademark License Agreements with MH&R, wherein HOPJ is authorized to use the name “Movenpick” and the hotel will be named “Movenpick Resort & Spa Jimbaran, Bali”. HOPJ agreed to pay royalty as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel.

   3. Hotel Management Consulting Agreement with MH&R, wherein MH&R is engaged as the sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of Movenpick Resort & Spa Jimbaran, Bali. MH&R is entitled to receive consultation fees as compensation, which are computed at the rate in accordance with the terms of the agreement. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel.

34. LITIGATIONS

Certain subsidiaries in the Group are involved in several lawsuits as follows:

a. PT Jakartabaru Cosmopolitan (JBC) (Defendant I) and SPCK (Defendant II) vs Leliana Hananto (Plaintiff) and other Defendants in relation to the installation of net at Gading Raya Padang Golf & Club, Tangerang. The appeal was filed on August 21, 2013. On May 14, 2014, Tangerang High Court decided to refuse the Plaintiff's claim. On May 20, 2014, the Plaintiff filed an appeal to Banten High Court. On September 22, 2014, Banten High Court has made the decision of ruling Tangerang High Court's decision to be legally binding.

   Based on Banten High Court's decision, on October 30, 2014, the Plaintiff filed an appeal to the Supreme Court. On July 9, 2015, Supreme Court issued a judgement ruling to decline Banten High Court's decision.

   Based on Supreme Court's decision, on December 5, 2016, the Defendants appealed for Judicial Review to Supreme Court. As of the completion date of the consolidated financial statements, the aforementioned case is still under review by the Supreme Court.

b. The Company (Plaintiff) vs Robert Sudjasmin (Defendant I) and other Defendants and Co-defendants in relation to the correction of typing error in the minutes of auction numbers in dictum of North Jakarta District Court Decision No.17/Pdt.G/1991/PN.JKT.UT jo. Jakarta High Court Decision No.158/PDT/1993/PT.DKI jo. Supreme Court Decision No. 538 K/Pdt/1994 jo. No. 466 PK/Pdt/2002. The claim was filed on August 20, 2013 and on September 1, 2014, the North Jakarta District Court accepted the Plaintiff's appeal. Based on that decision, on September 11, 2014, Defendant I filed an appeal to Jakarta High Court. On November 26, 2015, Jakarta High Court has bound the decision of North Jakarta District Court. Based on Jakarta High Court's decision, Defendant I has filed cassation to the Supreme Court. On June 21, 2017, the Supreme Court issued a judgement ruling to decline an appeal from Defendant I.

c. KCJA (Intervenor I) and other Defendants vs Jantje Manesah Agung (Plaintiff) in relation to land dispute over 85,940m2 of land located in Bogor. On October 29, 2015, this claim was filed to North Jakarta District Court. On April 7, 2016, KCJA has requested to intervere in this case. On April 3, 2017, North Jakarta District Court decided to refuse Plaintiff's claim. Based on North Jakarta District, Plaintiff filed an appeal to Jakarta High Court. As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned case is still under review by the Jakarta Hight Court.

d. KCJA (Intervenor II) vs Jantje Manesah Agung (Plaintiff) in relation to land dispute over 82,082m2 of land located in Bogor. On December 23, 2016, this claim was filed to Bandung Administrative Court. On February 3, 2017, KCJA has requested to intervere in this case. On June 6, 2017 Bandung Administrative Court decided to granted the Plaintiff claim and declared the cancellation of decree which issued by Bogor District Land Agency. Based on Bandung Administrative Court's decision, on June 14, 2017, the Defendant (in this case Bogor District Land Agency) and Intervenor filed an appeal. On October 30, 2017, DKI Jakarta High Administrative Court issued a judgement ruling to decline Bandung Administrative Court. Based on DKI Jakarta High Administrative Court Decision, the Defendant filed an cassation appeal to Supreme Court. As of the completion date of the consolidated financial statements, the aforementioned case is still under review in cassation level by the Supreme Court.

e. MKPP (Defendant I) and other Defendants vs Hj. Sukaesih Binti Suarma Alias Ny. Tjartjih Binti Suarma (Deceased Plaintiff) in relation to land dispute over 8,050m2 of land located in Bandung. On April 7, 2017, this claim was filed to Bandung District Court. Bandung district court decided to grant the Plaintiff's claim. On March 1, 2018, the Plaintiff filed an appeal to Bandung High Court. On November 13, 2018, The Bandung High Court has issued verdict which basically rejected the Plaintiff's claim in its entirety. Upon the decision of the Bandung High Court, on December 10, 2018, the Plaintiff has filed a appeal to the Supreme Court of the Republic of Indonesia.

f. The Company (Defendant I) vs Ny. Hj. Zakiyah (Plaintiff) in relation to land dispute over 6,980 m2 of land located in Rorotan, Cilincing, North Jakarta. On October 30, 2017, this claim was filed at North Jakarta District Court. On October 4, 2018, North Jakarta District Court decided to accept some of Plaintiff's claim. As of judgment by North Jakarta District Court, Defendant (PT Nusa Kirana Real Estate) filed an appeal to Jakarta High Court. As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned case is still under review by the Jakarta High Court.

(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

34. LITIGATIONS (CONTINUED)

g. The Company (Defendant IV) and the Defendants against Mr. Makawi (Plaintiff I) and the Plaintiffs in relation to a claim over 33,100 sqm (thirty three thousand one hundred square meters) located in the Kelapa Gading Barat Sub District (formerly Pegangsaan Dua Sub District) , Kelapa Gading District (formerly Koja District), North Jakarta. The claim was filed at Clerk of the North Jakarta District Court on March 28, 2019. Until the date of approval and authorization for the issuance of these consolidated financial statements, the case is still in the process of being audited in the North Jakarta District Court.

The Company's management believes that the above litigations will not have material effect and will not influence the going concern status of the Group and that these matters can be settled in accordance with the existing laws.

35. EARNINGS PER SHARE

	For the three-months period ended March 31,	
	2019	2018
Profit for the three-months period attributable to the owners of the Parent Entity	42,245,161	41,839,186
Weighted average number of shares for calculation of earnings per share	14,426,781,680	14,426,781,680
Earnings per share attributable to owners of the Parent Entity (full amount)	**3**	**3**

36. SUBSEQUENT EVENTS

a. PT Bank KEB Hana Indonesia

In April 2019, the Company obtain certain credit facilities from PT Bank KEB Hana Indonesia as follows:

- Overdraft credit facility with a maximum amount of Rp100,000,000, with credit period for a year and bear interest at annual rate of 9.75%.
- Fixed loan credit facility with a maximum amount of Rp100,000,000, with credit period for a year and bear interest at annual rate of 9.75%
- Working capital installment credit facility with a maximum amount of Rp200,000,000, with credit period for 10 (ten) years and bear interest at annual rate of 9.75%.

b. PT Bank Mayora Tbk

In April 2019, the Company obtain additional credit facilities of Rp50,000,000 from Rp150,000,000 to Rp200,000,000 and bear interest at annual rate of 9.75%.