PT Summarecon Agung Tbk
and its Subsidiaries

Consolidated financial statements
as of December 31, 2016 and for the year then ended
with independent auditors' report

These consolidated financial statements are originally issued in the Indonesian language.

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

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LAMPIRAN : 1
Peraturan Nomor : VIII.G.11
Formulir Nomor : VIII.G.11-1

**STATEMENT OF DIRECTORS' RESPONSIBILITY
ON THE FINANCIAL STATEMENTS
OF PT SUMMARECON AGUNG TBK
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

We, the undersigned,

1.	Name	:	Adrianto P.Adhi
	Office Address	:	Plaza Summarecon, Jl. Perintis Kemerdekaan No.42, Jakarta Timur 13210
	Resident Address	:	BSD Blok K 3/2 Sektor XII Kel. Rawabuntu, Kec. Serpong, Tangerang Selatan
	Telephone No.	:	021-4892107
	Designation	:	President Director
2.	Name	:	Yong King Ching
	Office Address	:	Plaza Summarecon, Jl. Perintis Kemerdekaan No.42, Jakarta Timur 13210
	Resident Address	:	Jl Boulevard Blok KGC, APT Summerville, Jakarta Utara
	Telephone No.	:	021-4892107
	Designation	:	Director

hereby state that :

1. We are responsible for the preparation and presentation of the financial statements of the Company;
2. The financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia ;
3. (a) The information in the financial statements have been fully and accurately disclosed.
   (b) The financial statements do not contain information or material facts that is not true, and do not omit information or material facts.
4. We are responsible for the internal control system of the Company.

Subscribed and solemnly declared by the abovenamed.

Jakarta, 24th March 2017

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ENAM RIBU RUPIAH

PT SUMMARECON AGUNG Tbk

Adrianto P.Adhi
President Director

Yong King Ching
Director

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Plaza Summarecon
Jl. Perintis Kemerdekaan No.42
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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. RPC-3350/PSS/2017

The Shareholders and the Boards of Commissioners and Directors
PT Summarecon Agung Tbk

We have audited the accompanying consolidated financial statements of PT Summarecon Agung Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

This report is originally issued in the Indonesian language.

Independent Auditors' Report (continued)

Report No. RPC-3350/PSS/2017 (continued)

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Summarecon Agung Tbk and its subsidiaries as of December 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Purwantono, Sungkoro & Surja

Benyanto Suherman
Public Accountant Registration No. AP.0685

March 24, 2017

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	December 31, 2016	December 31, 2015
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d,2r,2u,4, 33,34	2,076,201,416	1,503,546,080
Trade receivables	2l,2u,5, 14,34		
Related parties	2f,32	28,391,713	3,786,531
Third parties		510,695,474	142,134,750
Other receivables	2u,6,34	9,223,228	6,114,753
Inventories	2g,2m, 2n,7,14	5,531,046,712	4,924,806,927
Prepaid taxes	2t,19a	202,800,881	250,754,658
Prepaid expenses	2h,8	34,529,606	35,131,972
Advance payments	10	305,821,412	423,302,020
Other current financial assets	2u,13,34	106,644	103,829
Total current assets		**8,698,817,086**	**7,289,681,520**
NON-CURRENT ASSETS			
Trade receivables	2l,2u,5 14,34		
Related party	2f,32	10,794,659	-
Third party		28,720,906	-
Other receivables	2u,6,34	347,067	347,067
Due from related parties	2f,2u,32,34	66,041,843	55,749,280
Undeveloped land	2i,9,14,15	6,157,514,444	5,737,443,704
Advance payments	10	512,064,525	660,130,972
Fixed assets	2j,2m,2n, 11,14	451,343,312	420,472,052
Investment properties	2k,2l,2m,2n, 12,14,15	4,486,693,698	4,311,751,806
Deferred tax assets	2t,19f	10,218,110	15,929,958
Other non-current financial assets	2d,2e,2u, 13,14,34	226,775,487	99,005,586
Other non-current assets		160,988,520	167,750,077
Total non-current assets		**12,111,502,571**	**11,468,580,502**
TOTAL ASSETS		**20,810,319,657**	**18,758,262,022**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	December 31, 2016	December 31, 2015
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	2r,2u,14, 33,34	1,040,798,732	808,553,471
Trade payables to third parties	2r,2u,16, 33,34	57,614,375	63,006,515
Other payables	2r,2u,17, 33,34	231,571,989	264,562,084
Due to related party	2f,2u,32,34	79,512,731	-
Accrued expenses	2r,2u 18,33,34	1,515,289,485	1,697,306,503
Taxes payable	2t,19b	45,773,975	39,643,616
Liability for short-term employee benefits	2q,2u,20,34	19,125,408	6,485,405
Downpayments received and security deposits	2l,2u,21,34		
Related parties	2f,32	206,336	119,690
Third parties		553,150,011	1,077,496,769
Unearned revenues	2l,2p,22		
Related parties	2f,32	-	2,065
Third parties		312,817,434	277,629,533
Current maturities of long-term debts:	2u,14,34		
Loans from banks and financing institutions	2r,33	361,511,052	174,880,393
Total current liabilities		**4,217,371,528**	**4,409,686,044**
NON-CURRENT LIABILITIES			
Long-term debts - net of current maturities:	2u,14,34		
Loans from banks and financing institutions	2r,33	3,542,370,341	2,738,013,302
Bonds payable and sukuk ijarah	2u,2y,15,34	2,481,961,543	2,476,372,934
Other payables	2u,17,33,34	4,076,542	14,471,483
Due to related parties	2f,2u,32,34	-	2,765,597
Liability for long-term employee benefits	2q,20	113,614,609	119,190,420
Downpayments received and security deposits	2l,2u,21,34		
Related parties	2f,32	10,362,320	8,280,618
Third parties		2,199,026,889	1,380,234,364
Unearned revenues	2l,2p,22	60,846,896	62,004,533
Other non-current financial liabilities	2u,34	12,842,452	16,342,450
Deferred tax liabilities	2t,19f	2,291,052	1,150,363
Total non-current liabilities		**8,427,392,644**	**6,818,826,064**
TOTAL LIABILITIES		**12,644,764,172**	**11,228,512,108**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	December 31, 2016	December 31, 2015
EQUITY			
Equity Attributable to Owners of the Parent Entity			
Capital stock			
Authorized - 25,000,000,000 shares at par value of Rp100 (full amount) per share			
Issued and fully paid - 14,426,781,680 shares	1b,24	1,442,678,168	1,442,678,168
Additional paid-in capital	1b,2o,2x,25	22,996,315	22,996,315
Differences from transactions with Non-controlling interests	1e,2c	1,557,398	1,773,189
Retained earnings			
Appropriated - general reserve	26	93,698,522	82,534,109
Unappropriated		4,682,027,841	4,462,831,991
Total Equity Attributable to Owners of the Parent Entity		6,242,958,244	6,012,813,772
Non-controlling Interests	2c,23	1,922,597,241	1,516,936,142
TOTAL EQUITY		**8,165,555,485**	**7,529,749,914**
TOTAL LIABILITIES AND EQUITY		**20,810,319,657**	**18,758,262,022**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	Year ended December 31, 2016	2015
NET REVENUES	2f,2p,28,32	5,397,948,907	5,623,560,624
COST OF SALES AND DIRECT COSTS	2p,29	(2,799,538,204)	(2,716,755,658)
GROSS PROFIT		**2,598,410,703**	**2,906,804,966**
Selling expenses	2p,30	(348,970,044)	(258,296,059)
General and administrative expenses	2p,30	(840,502,532)	(880,878,969)
Other operating income		4,429,154	29,030,496
Other operating expenses		(3,431,817)	(5,263,019)
INCOME FROM OPERATIONS		**1,409,935,464**	**1,791,397,415**
Finance income		101,097,479	74,279,112
Finance costs	31	(633,527,946)	(483,493,607)
PROFIT BEFORE FINAL TAX AND INCOME TAX EXPENSE		**877,504,997**	**1,382,182,920**
FINAL TAX EXPENSE	2t,19d,19g	**(261,365,173)**	**(316,174,047)**
PROFIT BEFORE INCOME TAX EXPENSE		**616,139,824**	**1,066,008,873**
INCOME TAX EXPENSE - Net	2t,19d	**(11,088,966)**	**(1,928,934)**
PROFIT FOR THE YEAR		**605,050,858**	**1,064,079,939**
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Gain (loss) on employee benefits liability	2q,20	(9,171,644)	22,361,342
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**595,879,214**	**1,086,441,281**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Entity		311,665,815	855,185,525
Non-controlling Interests	2c,23	293,385,043	208,894,414
NET		**605,050,858**	**1,064,079,939**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Year ended December 31,	
	Notes	**2016**	**2015**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Entity		302,494,171	877,546,867
Non-controlling Interests	2c,23	293,385,043	208,894,414
NET		**595,879,214**	**1,086,441,281**
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY (full amount)	2v,24,39	**21.60**	**59.28**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owners 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 - reserve fund	Unappropriated	Total	Non-controlling Interests	Total Equity
Balance as of January 1, 2015		**1,442,678,168**	**22,996,315**	**1,511,269**	**68,658,940**	**3,887,695,926**	**5,423,540,618**	**992,915,338**	**6,416,455,956**
Appropriation for general reserve	26	-	-	-	13,875,169	(13,875,169)	-	-	-
Deposits for future stock subscription	23	-	-	-	-	-	-	3,000,000	3,000,000
Cash dividend	27	-	-	-	-	(288,535,633)	(288,535,633)	-	(288,535,633)
Total comprehensive income for the year		-	-	-	-	877,546,867	877,546,867	208,894,414	1,086,441,281
Non-controlling interests arising from acquisition of subsidiaries	1e	-	-	-	-	-	-	155,425,043	155,425,043
Capital stock increase paid by Non-controlling Interest	23	-	-	-	-	-	-	153,785,043	153,785,043
Sale of ownership to Non-controlling Interest in subsidiaries	1e	-	-	261,920	-	-	261,920	2,874,980	3,136,900
Changes in Non-controlling Interest		-	-	-	-	-	-	41,324	41,324
Balance as of December 31, 2015		**1,442,678,168**	**22,996,315**	**1,773,189**	**82,534,109**	**4,462,831,991**	**6,012,813,772**	**1,516,936,142**	**7,529,749,914**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owners 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 - reserve fund	Unappropriated	Total	Non-controlling Interests	Total Equity
Balance as of December 31, 2015		**1,442,678,168**	**22,996,315**	**1,773,189**	**82,534,109**	**4,462,831,991**	**6,012,813,772**	**1,516,936,142**	**7,529,749,914**
Appropriation for general reserve	26	-	-	-	11,164,413	(11,164,413)	-	-	-
Cash dividend	27	-	-	-	-	(72,133,908)	(72,133,908)	-	(72,133,908)
Total comprehensive income for the year		-	-	-	-	302,494,171	302,494,171	293,385,043	595,879,214
Capital stock increase paid by Non-controlling Interest	23	-	-	-	-	-	-	131,260,265	131,260,265
Capital contributon paid by Non-controlling interest in subsidiaries	1e,23	-	-	-	-	-	-	1,500,000	1,500,000
Acquisition of Non-controlling interest in subsidiaries	1e	-	-	(215,791)	-	-	(215,791)	(20,484,209)	(20,700,000)
Balance as of December 31, 2016		**1,442,678,168**	**22,996,315**	**1,557,398**	**93,698,522**	**4,682,027,841**	**6,242,958,244**	**1,922,597,241**	**8,165,555,485**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah)

	Notes	Year ended December 31, 2016	Year ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		5,159,749,322	4,236,706,250
Receipts of interest income		98,806,398	72,856,828
Cash payments to:			
Suppliers and for other operating expenses		(3,819,025,663)	(3,040,923,759)
Employees		(495,122,874)	(567,478,244)
Payments of:			
Interest expense		(576,404,598)	(486,365,874)
Final tax		(288,938,512)	(226,579,826)
Income taxes		(7,989,890)	(8,900,546)
Net cash provided by (used in) operating activities		**71,074,183**	**(20,685,171)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of fixed assets and investment properties	11	2,066,616	3,431,387
Acquisitions of undeveloped land		(399,556,671)	(1,320,036,462)
Acquisitions of fixed assets and investment properties	11,12	(391,365,862)	(590,237,715)
Collection of (payments for) amounts due from related parties	32	(10,292,563)	48,418,103
Acquisition of subsidiaries, less cash acquired from subsidiaries		-	(48,224,494)
Net cash used in investing activities		**(799,148,480)**	**(1,906,649,181)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of bank loans		2,241,368,922	2,062,422,355
Capital contribution from non-controlling interests in subsidiaries		132,760,265	159,701,349
Receipt of (Payment for) due to related parties		76,747,134	(50,948,859)
Receipt of other payables		26,274,606	41,498,737
Drawdown of (placement for) restricted time deposits		2,058,187	(464,876)
Repayment of bank loans and financing institutions		(1,018,000,579)	(1,059,790,260)
Cash dividends paid by the Company		(72,005,559)	(288,077,886)
Payment for other payables		(67,773,343)	-
Payment of acquisition of non-controlling interests in subsidiaries		(20,700,000)	-
Proceeds from sale of ownership in subsidiaries to non-controlling interest		-	3,136,900
Proceeds from bonds and sukuk ijarah issuance		-	792,621,928
Net cash provided by financing activities		**1,300,729,633**	**1,660,099,388**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2016
(Expressed in thousands of Indonesian Rupiah)

	Notes	Year ended December 31, 2016	2015
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**572,655,336**	**(267,234,964)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	1,503,546,080	1,770,781,044
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**2,076,201,416**	**1,503,546,080**

Supplementary information on non-cash activities is presented in Note 40.

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 articles of association has been amended from time to time, the latest amendment of which was notarized under deed No. 29 dated June 10, 2015 of Fathiah Helmi S.H., concerning the changes of Company's articles of association in compliance with Indonesian Financial Service Authority No. 32/POJK.04/2014 and approving 5 (five) year tenure of Directors and Commisioners. 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.01.03-0948173 dated July 3, 2015.

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 at 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 June 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.

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

1. GENERAL (continued)

b. The Company's Public Offerings (continued)

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.

In June 2008, the Company distributed 3,217,893,796 bonus shares with a par value of Rp100 (full amount) per share.

In June 2010 and December 2009, a total of 436,340,202 and 1,013,046 Series I Warrants were exercised.

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 June 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 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 Board of Commissioners and Directors as of December 31, 2016 and 2015 was as follows:

Board of Commissioners		Board of Directors	
President Commissioner	: Soetjipto Nagaria	President Director	: Adrianto Pitoyo Adhi
Commissioner	: Harto Djojo Nagaria	Director	: Lexy Arie Tumiwa
Independent Commissioner	: H. Edi Darnadi	Director	: Liliawati Rahardjo
Independent Commissioner	: Esther Melyani Homan	Director	: Soegianto Nagaria
		Director	: Herman Nagaria
		Director	: Yong King Ching
		Director	: Sharif Benyamin
		Independent Director	: Ge Lilies Yamin

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

1. GENERAL (continued)

c. Board of Commissioners, Directors, Audit Committee and Employees (continued)

The composition of the Company's Audit Committee as of December 31, 2016 and 2015 was as follows:

Chairman	: H. Edi Darnadi
Member	: Leo Andi Mancianno
Member	: Neneng Martini

The total amount of gross compensation for the key management of the Company was as follows:

	Year ended December 31,	
	2016	**2015**
Commissioners:		
Short-term employee benefits	13,631,735	21,443,969
Post-employment benefits	-	2,228,473
Sub-total	**13,631,735**	**23,672,442**
Directors:		
Short-term employee benefits	27,676,293	48,345,145
Post-employment benefits	558,977	734,637
Sub-total	28,235,270	**49,079,782**
Total	**41,867,005**	**72,752,224**

The Group had 2,371 and 2,318 permanent employees (unaudited) as of December 31, 2016 and 2015, respectively.

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

1. GENERAL (continued)

d. Structure of the Company's Subsidiaries

The Company had direct and indirect ownership in the following Subsidiaries:

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Percentage of Ownership (%) December 31, 2016	Percentage of Ownership (%) December 31, 2015
Direct Subsidiaries					
PT Bahagia Makmursejati (BHMS)	Jakarta	a	2003	99.99	99.99
PT Serpong Cipta Kreasi (SPCK)	Tangerang	a	2004	100.00	100.00
PT Anugerah Damai Abadi (AGDA)	Tangerang	b	2007	100.00	100.00
PT Gading Orchard (GDOR)	Jakarta	a	2008	100.00	100.00
PT Summarecon Property Development (SMPD)	Jakarta	a	2012	100.00	100.00
PT Summarecon Investment Property (SMIP)	Jakarta	c	2012	100.00	100.00
PT Multi Abadi Prima (MTAP)	Jakarta	d	2013	100.00	100.00
PT Bhakti Karya Sejahtera (BTKS)	Jakarta	e	2013	100.00	100.00
PT Citra Damai Agung (CTDA)	Jakarta	a	2014	100.00	100.00
PT Bhakti Karya Bangsa (BTKB)	Jakarta	e	2016	80.00	-
PT Java Investama Properti (JVIP)	Jakarta	c	-	100.00	100.00
PT Sagraha Mitraloka Elok (SGME)	Jakarta	j	-	100.00	-
Indirect Subsidiaries through SMPD					
PT Eskage Tatanan Kota (EKTK)	Jakarta	f	2009	100.00	100.00
PT Bekasi Tatanan Kota (BKTK)	Bekasi	f	2012	100.00	100.00
PT Mahkota Permata Perdana (MKPP)	Bandung	a	2015	100.00	100.00
PT Maju Lestari Properti (MJLP)	Jakarta	a	-	100.00	100.00
PT Inovasi Jaya Properti (IVJP)	Jakarta	a	-	100.00	100.00
PT Mahkota Intan Cemerlang (MKIC)	Jakarta	a	-	100.00	100.00
PT Banyumas Eka Mandiri (BYEM)	Jakarta	a	-	100.00	100.00
PT Aruna Cahaya Abadi (ARCA)	Jakarta	a	-	100.00	100.00
PT Selaras Maju Mandiri (SLMM)	Jakarta	a	-	100.00	100.00
PT Orient City (ORCT)	Jakarta	a	-	100.00	100.00

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Percentage of Ownership (%) December 31, 2016	Percentage of Ownership (%) December 31, 2015
Indirect Subsidiaries through SMPD (continued)					
PT Bumi Perintis Asri (BMPA)	Tangerang	a	-	100.00	100.00
PT Duta Sumara Abadi (DTSA)	Jakarta	a	-	51.00	51.00
PT Sinar Mahakam Indah (SNMI)	Samarinda	a	-	83.77	83.77
PT Sinar Semesta Indah (SNSI)	Tangerang	a	-	100.00	100.00
PT Wahyu Kurnia Sejahtera (WYKS)	Jakarta	a	-	100.00	100.00
PT Kahuripan Jaya Mandiri (KHJM)	Jakarta	a	-	51.00	51.00
PT Gunung Suwarna Abadi (GNSA)	Jakarta	a	-	51.00	51.00
PT Taruna Maju Berkarya (TRMB)	Jakarta	a	-	100.00	100.00
PT Gunung Srimala Permai (GNSP)	Jakarta	a	-	51.00	51.00
PT Sunda Besar Properti (SDBP)	Bandung	a	-	100.00	100.00
PT Maju Singa Parahyangan (MJSP)	Bandung	a	-	100.00	100.00
PT Surya Mentari Diptamas (SYMD)	Jakarta	a	-	51.00	51.00
PT Surya Menata Elokjaya (SYME)	Jakarta	a	-	100.00	100.00
PT Kencana Jayaproperti Agung (KCJA)	Jakarta	a	-	51.00	51.00
PT Kencana Jayaproperti Mulia (KCJM)	Jakarta	a	-	51.00	51.00
PT Sinergi Mutiara Cemerlang (SGMC)	Makassar	a	-	51.00	51.00
PT Sukmabumi Mahakam Jaya (SBMJ)	Jakarta	a	-	100.00	100.00
PT Bintang Mentari Indah (BNMI)	Makassar	a	-	100.00	100.00
Indirect Subsidiaries through SMIP					
PT Lestari Mahadibya (LTMD)	Tangerang	c	2006	100.00	100.00
PT Summerville Property Management (SVPM)	Jakarta	h	2007	100.00	100.00

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Percentage of Ownership (%)	
				December 31, 2016	December 31, 2015
Indirect Subsidiaries through SMIP (continued)					
PT Summarecon Hotelindo (SMHO)	Jakarta	g	2010	100.00	100.00
PT Makmur Orient Jaya (MKOJ)	Bekasi	c	2013	100.00	100.00
PT Kharisma Intan Properti (KRIP)	Tangerang	c	2013	100.00	100.00
PT Dunia Makmur Properti (DNMP)	Jakarta	c	2015	100.00	100.00
PT Summarecon Bali Indah (SMBI)	Jakarta	c	2016	100.00	100.00
PT Permata Jimbaran Agung (PMJA)	Badung	c	2016	59.09	58.65
PT Pradana Jaya Berniaga (PDJB)	Badung	b	2016	100.00	100.00
PT Seruni Persada Indah (SRPI)	Jakarta	c	-	100.00	100.00
PT Bali Indah Development (BLID)	Badung	c	-	100.00	100.00
PT Bali Indah Property (BLIP)	Badung	c	-	100.00	100.00
PT Bukit Jimbaran Indah (BKJI)	Badung	c	-	100.00	100.00
PT Bukit Permai Properti (BKPP)	Badung	a	-	100.00	100.00
PT Hotelindo Permata Jimbaran (HOPJ)	Badung	g	-	59.09	58.65
PT Nirwana Jaya Semesta (NWJS)	Jakarta	g	-	100.00	100.00
PT Sadhana Bumi Jayamas (SDBJ)	Jakarta	c	-	100.00	100.00
PT Sumber Pembangunan Cemerlang (SBPC)	Jakarta	c	-	100.00	100.00
PT Unota Persada Jaya (UNPS)	Jakarta	c	-	100.00	100.00
PT Java Orient Properti (JVOP)	Yogyakarta	g	-	90.00	67.00
PT Mahakarya Buana Damai (MKBD)	Bandung	c	-	100.00	100.00
PT Hotelindo Saribuana Damai (HSBD)	Bandung	g	-	100.00	-
PT Hotelindo Java Properti (HIJP)	Yogyakarta	g	-	100.00	-
PT Hotelindo Cahaya Gemilang (HICG)	Jakarta	g	-	100.00	-

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Percentage of Ownership (%) December 31, 2016	Percentage of Ownership (%) December 31, 2015
Indirect Subsidiaries through SPCK					
PT Serpong Tatanan Kota (STTK)	Tangerang	f	2010	100.00	100.00
PT Bhakti Karya Vita (BTKV)	Tangerang	i	2011	60.00	60.00
PT Jaya Bangun Abadi (JYBA)	Tangerang	a	-	100.00	100.00
PT Permata Cahaya Cemerlang (PMCC)	Tangerang	a	-	100.00	100.00
PT Surya Intan Properti (SYIP)	Tangerang	a	-	100.00	100.00
PT Mahkota Berlian Indah (MKBI)	Tangerang	a	-	100.00	100.00
PT Mahkota Permata Indah (MKPI)	Tangerang	a	-	100.00	100.00

Notes on the principal activities of subsidiaries as of December 31, 2016:
a Property development
b Retail, food and beverages
c Investment property
d Gas station
e Education
f Town management
g Hotel
h Property management
i Hospital
j Trading

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Total Assets Before Elimination December 31, 2016	Total Assets Before Elimination December 31, 2015
Direct Subsidiaries					
PT Bahagia Makmursejati (BHMS)	Jakarta	a	2003	18,189,267	17,695,584
PT Serpong Cipta Kreasi (SPCK)	Tangerang	a	2004	5,953,177,002	5,222,076,076
PT Anugerah Damai Abadi (AGDA)	Tangerang	b	2007	6,650,766	6,297,409
PT Gading Orchard (GDOR)	Jakarta	a	2008	47,224,825	120,596,541
PT Summarecon Property Development (SMPD)	Jakarta	a	2012	5,547,460,807	4,718,459,919
PT Summarecon Investment Property (SMIP)	Jakarta	c	2012	4,335,387,516	3,980,391,574
PT Multi Abadi Prima (MTAP)	Jakarta	d	2013	26,378,370	28,565,897
PT Bhakti Karya Sejahtera (BTKS)	Jakarta	e	2013	88,020,097	92,288,952
PT Citra Damai Agung (CTDA)	Jakarta	a	2014	39,400,479	40,216,263
PT Bhakti Karya Bangsa (BTKB)	Jakarta	e	2016	7,303,636	-

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Total Assets Before Elimination	
				December 31, 2016	December 31, 2015
Direct Subsidiaries (continued)					
PT Java Investama Properti (JVIP)	Jakarta	c	-	15,101,611	15,103,793
PT Sagraha Mitraloka Elok (SGME)	Jakarta	j	-	478,484	-
Indirect Subsidiaries through SMPD					
PT Eskage Tatanan Kota (EKTK)	Jakarta	f	2009	6,584,078	8,371,842
PT Bekasi Tatanan Kota (BKTK)	Bekasi	f	2012	11,417,766	11,839,233
PT Mahkota Permata Perdana (MKPP)	Bandung	a	2015	2,226,319,004	1,683,783,800
PT Maju Lestari Properti (MJLP)	Jakarta	a	-	36,957,460	36,317,369
PT Inovasi Jaya Properti (IVJP)	Jakarta	a	-	1,032,653,348	900,372,373
PT Mahkota Intan Cemerlang (MKIC)	Jakarta	a	-	410,910,470	402,258,417
PT Banyumas Eka Mandiri (BYEM)	Jakarta	a	-	280,028,472	277,852,825
PT Aruna Cahaya Abadi (ARCA)	Jakarta	a	-	71,117,621	69,432,259
PT Selaras Maju Mandiri (SLMM)	Jakarta	a	-	856,340,671	766,574,048
PT Orient City (ORCT)	Jakarta	a	-	2,782,553	3,199,235
PT Bumi Perintis Asri (BMPA)	Tangerang	a	-	62,511,730	58,717,865
PT Duta Sumara Abadi (DTSA)	Jakarta	a	-	312,180,872	295,317,465
PT Sinar Mahakam Indah (SNMI)	Samarinda	a	-	37,418,975	37,210,604
PT Sinar Semesta Indah (SNSI)	Tangerang	a	-	750,010	756,095
PT Wahyu Kurnia Sejahtera (WYKS)	Jakarta	a	-	182,546,182	180,260,729
PT Kahuripan Jaya Mandiri (KHJM)	Jakarta	a	-	49,662,328	48,137,943
PT Gunung Suwarna Abadi (GNSA)	Jakarta	a	-	174,734,839	148,844,593
PT Taruna Maju Berkarya (TRMB)	Jakarta	a	-	3,101,203	2,924,221
PT Gunung Srimala Permai (GNSP)	Jakarta	a	-	152,291,572	64,392,710

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Total Assets Before Elimination	
				December 31, 2016	December 31, 2015
Indirect Subsidiaries through SMPD (continued)					
PT Sunda Besar Properti (SDBP)	Bandung	a	-	1,119,812	1,083,061
PT Maju Singa Parahyangan (MJSP)	Bandung	a	-	1,119,744	1,082,994
PT Surya Mentari Diptamas (SYMD)	Jakarta	a	-	2,778,293	2,622,161
PT Surya Menata Elokjaya (SYME)	Jakarta	a	-	2,934,730	2,787,328
PT Kencana Jayaproperti Agung (KCJA)	Jakarta	a	-	229,599,238	213,393,406
PT Kencana Jayaproperti Mulia (KCJM)	Jakarta	a	-	188,563,549	188,378,548
PT Sinergi Mutiara Cemerlang (SGMC)	Makassar	a	-	488,375,570	452,377,348
PT Sukmabumi Mahakam Jaya (SBMJ)	Jakarta	a	-	990,465	992,679
PT Bintang Mentari Indah (BNMI)	Makassar	a	-	213,232,474	158,737,969
Indirect Subsidiaries through SMIP					
PT Lestari Mahadibya (LTMD)	Tangerang	c	2006	1,137,721,162	1,170,342,981
PT Summerville Property Management (SVPM)	Jakarta	h	2007	4,651,019	4,039,522
PT Summarecon Hotelindo (SMHO)	Jakarta	g	2010	132,343,615	140,116,350
PT Makmur Orient Jaya (MKOJ)	Bekasi	c	2013	891,299,577	908,751,662
PT Kharisma Intan Properti (KRIP)	Tangerang	c	2013	205,116,390	209,529,494
PT Dunia Makmur Properti (DNMP)	Jakarta	c	2015	117,943,045	123,266,103
PT Summarecon Bali Indah (SMBI)	Jakarta	c	2016	1,344,744,240	989,392,642
PT Permata Jimbaran Agung (PMJA)	Badung	c	2016	851,864,155	487,507,138
PT Pradana Jaya Berniaga (PDJB)	Badung	b	2016	6,253,238	2,060,080
PT Seruni Persada Indah (SRPI)	Jakarta	c	-	1,066,036	1,035,136
PT Bali Indah Development (BLID)	Badung	c	-	179,839,539	185,780,903
PT Bali Indah Property (BLIP)	Badung	c	-	3,769,608	3,792,032

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

1. GENERAL (continued)

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

The Company had direct and indirect ownership in the following Subsidiaries (continued):

Name of Subsidiaries	Domicile	Principal Activity	Start of Commercial Operations	Total Assets Before Elimination	
				December 31, 2016	December 31, 2015
Indirect Subsidiaries through SMIP (continued)					
PT Bukit Jimbaran Indah (BKJI)	Badung	c	-	613,522	613,267
PT Bukit Permai Properti (BKPP)	Badung	a	-	484,276,216	483,661,929
PT Hotelindo Permata Jimbaran (HOPJ)	Badung	g	-	332,267,222	106,706,633
PT Nirwana Jaya Semesta (NWJS)	Jakarta	g	-	13,008,479	12,211,420
PT Sadhana Bumi Jayamas (SDBJ)	Jakarta	c	-	81,503,517	81,655,279
PT Sumber Pembangunan Cemerlang (SBPC)	Jakarta	c	-	1,048,159	1,032,788
PT Unota Persada Jaya (UNPS)	Jakarta	c	-	146,036,435	145,438,142
PT Java Orient Properti (JVOP)	Yogyakarta	g	-	150,900,844	113,419,542
PT Mahakarya Buana Damai (MKBD)	Bandung	c	-	106,251,658	73,538,486
PT Hotelindo Saribuana Damai (HSBD)	Bandung	g	-	250,000	-
PT Hotelindo Jaya Properti (HIJP)	Yogyakarta	g	-	250,000	-
PT Hotelindo Cahaya Gemilang (HICG)	Jakarta	g	-	250,000	-
Indirect Subsidiaries through SPCK					
PT Serpong Tatanan Kota (STTK)	Tangerang	f	2010	49,775,911	36,026,256
PT Bhakti Karya Vita (BTKV)	Tangerang	i	2011	65,509,098	73,367,566
PT Jaya Bangun Abadi (JYBA)	Tangerang	a	-	90,480,232	90,624,545
PT Permata Cahaya Cemerlang (PMCC)	Tangerang	a	-	335,300,627	340,695,347
PT Surya Intan Properti (SYIP)	Tangerang	a	-	156,309,112	154,880,519
PT Mahkota Berlian Indah (MKBI)	Tangerang	a	-	95,239,265	97,084,998
PT Mahkota Permata Indah (MKPI)	Tangerang	a	-	83,713,611	83,241,175

Notes on the principal activities of subsidiaries as of December 31, 2016:
a Property development
b Retail, food and beverages
c Investment property
d Gas station
e Education
f Town management
g Hotel
h Property management
i Hospital
j Trading

1. GENERAL (continued)

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

In 2016, the Company established new direct Subsidiaries, which are BTKB and SGME and established new indirect Subsidiaries through SMIP, which are HSBD, HIJP and HICG.

As of December 31, 2016, JVIP, SGME, MJLP, IVJP, MKIC, BYEM, ARCA, SLMM, ORCT, BMPA, DTSA, SNMI, SNSI, WYKS, KHJM, GNSA, TRMB, GNSP, SDBP, MJSP, SYMD, SYME, KCJA, KCJM, SGMC, SBMJ, BNMI, SRPI, BLID, BLIP, BKJI, BKPP, HOPJ, NWJS, SDBJ, SBPC, UNPS, JVOP, MKBD, HSBD, HIJP, HICG, JYBA, PMCC, SYIP, MKBI and MKPI have not started commercial operations.

e. Changes in Capital Structure of the Subsidiaries

PT Bahagia Makmur Sejati (BHMS)

In December 2015, BHMS shareholders decided to decrease its issued and fully paid capital stock from Rp16,340,000 to Rp6,340,000 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the decrease of 10,000,000 shares for Rp10,000,000. The Company's ownership in BHMS remains at 99.99% and Liliawati Rahardjo at 0.01% after the decrease. The decrease in issued and fully paid capital stock was notarized under deed No. 49 dated December 15, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0003922.AH.01.02. Year 2016 dated February 29, 2016.

PT Gading Orchard (GDOR)

In December 2015, GDOR shareholders decided to decrease its issued and fully paid capital stock from Rp123,695,270 to Rp103,695,155 with par value of Rp9,145,000 (full amount) per share. The Company subscribed for all the decrease of 2,187 shares for Rp20,000,115. The Company's ownership in GDOR remains at 99.99% and BHMS at 0.01% after the decrease. The decrease in issued and fully paid capital stock was notarized under deed No. 50 dated December 15, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0003921.AH.01.02. Year 2016 dated February 29, 2016.

In December 2016, GDOR shareholders decided to decrease its authorized capital from Rp411,525,000 to Rp125,286,500 and issued and paid-in capital from Rp103,695,155 to Rp31,321,625 with par value of Rp9,145,000 (full amount) per share. The Company subscribed for all the decrease of 7,914 shares for Rp72,373,530. After the decrease, the ownership percentage for the Company is 99.97% and for BHMS is 0.03%. The decrease in authorized and issued and fully paid capital stock was notarized under deed No. 45 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0000713.AH.01.02. Year 2017 dated January 12, 2017.

PT Summarecon Property Development (SMPD)

In December 2015, SMPD increased its issued and fully paid capital stock from Rp3,238,115,247 to Rp3,819,386,900 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 581,271,653 shares for Rp581,271,653. The increase in issued and fully paid capital stock was notarized under deed No. 88 dated December 18, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003356. Year 2016 dated January 15, 2016.

In December 2016, SMPD increased its issued and fully paid capital stock from Rp3,819,386,900 to Rp4,029,258,900 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 209,872,000 shares for Rp209,872,000. The increase in issued and fully paid capital stock was notarized under deed No. 97 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011899. Year 2017 dated January 12, 2017.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Summarecon Investment Property (SMIP)

In December 2015, SMIP increased its issued and fully paid capital stock from Rp1,701,681,639 to Rp2,185,387,340 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 483,705,701 shares for Rp483,705,701. The increase in issued and fully paid capital stock was notarized under deed No. 89 dated December 18, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03.0003358. Year 2016 dated January 15, 2016.

In December 2016, SMIP increased its issued and fully paid capital stock from Rp2,185,387,340 to Rp2,454,162,470 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 268,775,130 shares for Rp268,775,130. The increase in fully paid capital stock was notarized under deed No. 95 dated December 16, 2016 of Dewi Himikati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011752. Year 2017 dated January 12, 2017.

PT Multi Abadi Prima (MTAP)

In December 2015, MTAP shareholders decided to decrease its issued and fully paid capital stock from Rp27,721,000 to Rp17,721,000 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the decrease of 10,000,000 shares for Rp10,000,000. The Company's ownership in MTAP remains at 99.99% and BHMS at 0.01% after the decrease. The decrease in issued and fully paid capital stock was notarized under deed No. 52 dated December 15, 2015 of Dewi Himijati Tandika, S.H. which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0003917.AH.01.02. Year 2016 dated February 29, 2016.

PT Bhakti Karya Sejahtera (BTKS)

In December 2015, BTKS increased its authorized capital from Rp100,000,000 to Rp200,000,000 and its issued and fully paid capital stock from Rp74,833,000 to Rp97,250,000 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 22,417,000 shares for Rp22,417,000. The increase in issued and fully paid capital stock was notarized under deed No. 90 dated December 18, 2015 of Dewi Himijati Tandika, S.H. which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003371. Year 2016 and No. AHU-0000838.AH.01.02. Year 2016 dated January 15, 2016.

In December 2016, BTKS increased its issued and fully paid capital stock from Rp97,250,000 to Rp99,023,000 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the increase of 1,773,000 shares for Rp1,773,000. The increase in issued and fully paid capital stock was notarized under deed No. 96 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011824. Year 2017 dated January 12, 2017.

PT Citra Damai Agung (CTDA)

In December 2015, CTDA shareholders decreased its issued and fully paid capital stock from Rp110,000,000 to Rp30,000,000 with par value of Rp1,000 (full amount) per share. The Company subscribed for all the decrease of 80,000,000 shares for Rp80,000,000. The Company's ownership in CTDA remains at 99.99% and BHMS at 0.01% after the decrease. The decrease in issued and fully paid capital stock was notarized under deed No. 51 dated December 15, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0003918.AH.01.02. Year 2016 dated February 29, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Bhakti Karya Bangsa (BTKB)

On July 20, 2016, BTKB was established with authorized capital amounting to Rp30,000,000 and issued and fully paid capital stock amounting to Rp7,500,000. The Company acquired 6,000,000 shares amounting to Rp6,000,000 with par value of Rp1,000 (full amount) per share representing 80.00% ownership. The remaining 1,500,000 shares amounting to Rp1,500,000 representing 20% ownership is acquired by Sudino. The establishment was notarized under deed No. 8 dated July 20, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0032876.AH.01.01. Year 2016 dated July 21, 2016 and was published in the State Gazette Republic of Indonesia No. 71, Supplement No. 74971 dated September 6, 2016.

PT Java Investama Properti (JVIP)

On March 23, 2015, SRPI sold its ownership to JVIP as much as 999,999 shares with par value of Rp1,000 (full amount) per share, representing 99.9999% ownership to the Company. The percentage of ownership in JVIP for the Company becomes 99.99% while SRPI own none. The difference between the selling price and net book value of Rp1,794 has been eliminated from the consolidated statement of financial position. It was notarized under deed No. 79 of Dra. Rr. Hariyanti Poerbiantari, S.H., M.Kn., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0020392. Year 2015 dated March 31, 2015.

PT Sagraha Mitraloka Elok (SGME)

On October 13, 2016, SGME was established with authorized capital amounting to Rp2,000,000, issued and fully paid capital stock amounting to Rp500,000. The Company acquired 499,999 shares amounting to Rp499,999 with par value of Rp1,000 (full amount) per share representing 99.99% ownership. The remaining 1 share amounting to Rp1 representing 0.01% is acquired by BHMS. The establishment was notarized under deed No. 30 dated October 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0046358.AH.01.01. Year 2016 dated October 19, 2016. Until the date of the approval and ratification of the consolidated financial statements issuance, the publication in the State Gazette Republic of Indonesia is still in the process.

PT Eskage Tatanan Kota (EKTK)

In December 2015, EKTK increased its issued and fully paid capital stock from Rp22,375,970 to Rp24,583,970 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 2,208,000 shares for Rp2,208,000. The increase in issued and fully paid capital stock was notarized under deed No. 80 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003240. Year 2016 dated January 15, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Eskage Tatanan Kota (EKTK) (continued)

In December 2016, EKTK increased its issued and fully paid capital stock from Rp24,583,970 to Rp27,304,970 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 2,721,000 shares for Rp2,721,000. The increase in issued and fully paid capital stock was notarized under deed No. 92 dated December 16, 2016 of Dewi Himijati Tandika, S. H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011475. Year 2017 dated January 12, 2017.

PT Bekasi Tatanan Kota (BKTK)

In December 2015, BKTK increased its issued and fully paid capital stock from Rp12,311,000 to Rp16,542,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 4,231,000 shares for Rp4,231,000. The increase in issued and fully paid capital stock was notarized under deed No. 79 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003236. Year 2016 dated January 15, 2016.

In December 2016, BKTK increased its issued and fully paid capital stock from Rp16,542,000 to Rp19,380,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 2,838,000 shares for Rp2,838,000. The increase in issued and fully paid capital stock was notarized under deed No. 93 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011504. Year 2017 dated January 12, 2017.

PT Mahkota Permata Perdana (MKPP)

In December 2015, MKPP increased its issued and fully paid capital stock from Rp1,528,584,000 to Rp1,591,031,250 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 62,447,250 shares for Rp62,447,250. The increase in issued and fully paid capital stock was notarized under deed No. 76 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003222. Year 2016 dated January 15, 2016.

PT Inovasi Jaya Properti (IVJP)

In June 2016, IVJP increase its issued an fully paid capital stock from Rp554,609,460 to Rp565,109,460 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 10,500,000 shares for Rp10,500,000. The increase in issued and fully paid capital stock was notarized under deed No. 14 dated June 3, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0057324. Year 2016 dated June 15, 2016.

In December 2016, IVJP increased its issued and fully paid capital stock from Rp565,109,460 to Rp633,633,404 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 68,523,944 shares for Rp68,523,944. The increase in issued and fully paid capital stock was notarized under deed No. 80 dated December 15, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011334. Year 2017 dated January 12, 2017.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Mahkota Intan Cemerlang (MKIC)

In December 2015, MKIC increased its issued and fully paid capital stock from Rp337,417,999 to Rp369,703,999 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 32,286,000 shares for Rp32,286,000. The increase in issued and fully paid capital stock was notarized under deed No. 61 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003167. Year 2016 dated January 15, 2016.

In December 2016, MKIC increased its issued and fully paid capital stock from Rp369,703,999 to Rp377,314,999 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 7,611,000 shares for Rp7,611,000. The increase in issued and fully paid capital stock was notarized under deed No. 91 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011440. Year 2017 dated January 12, 2017.

PT Banyumas Eka Mandiri (BYEM)

In December 2015, BYEM increased its issued and fully paid capital stock from Rp198,765,000 to Rp256,828,000 with par value of Rp1,000 (full amount) per share. MKIC subscribed for all the increase of 58,063,000 shares for Rp58,063,000. The increase in issued and fully paid capital stock was notarized under deed No. 53 dated December 15, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0002566. Year 2016 dated January 13, 2016.

PT Selaras Maju Mandiri (SLMM)

In December 2015, SLMM increased its issued and fully paid capital stock from Rp278,867,248 to Rp526,924,980 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 248,057,732 shares for Rp248,057,732. The increase in issued and fully paid capital stock was notarized under deed No. 82 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003266. Year 2016 dated January 15, 2016.

In December 2016, SLMM increased its issued and fully paid capital stock from Rp526,924,980 to Rp549,541,930 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 22,616,950 shares for Rp22,616,950. The increase in issued and fully paid capital stock was notarized under deed No. 79 dated December 15, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011306. Year 2017 dated January 12, 2017.

PT Orient City (ORCT)

In December 2015, ORCT increased its issued and fully paid capital stock from Rp3,290,000 to Rp4,186,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 896,000 shares for Rp896,000. The increase in issued and fully paid capital stock was notarized under deed No. 75 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003220. Year 2016 dated January 15, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Orient City (ORCT) (continued)

In December 2016, ORCT increased its issued and fully paid capital stock from Rp4,186,000 to Rp4,608,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for all the increase of 422,000 shares for Rp422,000. The increase in issued and fully paid capital stock was notarized under deed No. 94 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011644. Year 2017 dated January 12, 2017.

PT Duta Sumara Abadi (DTSA)

On January 8, 2015, DTSA increased its issued and fully paid capital stock from Rp243,000,000 to Rp285,000,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for the increase of 21,420,000 shares for Rp21,420,000, which represents 51% ownership. DPM subscribed for the increase of 20,580,000 shares for Rp20,580,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 10 dated January 8, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0007249.AH.01.03. Year 2015 dated February 3, 2015.

In December 2015, DTSA increased its issued and fully paid capital stock from Rp285,000,000 to Rp298,000,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for the increase of 6,630,000 shares for Rp6,630,000, which represents 51% ownership. DPM subscribed for the increase of 6,370,000 shares for Rp6,370,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 65 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003200. Year 2016 dated January 15, 2016.

In December 2016, DTSA increased its issued and fully paid capital stock from Rp298,000,000 to Rp315,500,000 with par value of Rp1,000 (full amount) per share. SMPD subscribed for the increase of 8,925,000 shares for Rp8,925,000, which represents 51% ownership. DPM subscribed for the increase of 8,575,000 shares for Rp8,575,000, which represents 49% ownership. The increase in issued and fully paid capital was notarized under deed No. 98 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0012094. Year 2017 dated January 12, 2017.

PT Sinar Mahakam Indah (SNMI)

In October 2015, SNMI increased its issued and fully paid capital stock from Rp15,695,000 to Rp31,919,500 with par value of Rp1,000 (full amount) per share. MKIC subscribed for all the increase of 16,224,500 shares for Rp16,224,500, which increase MKIC ownership in SNMI from 67.00% to 83.77%. The increase in issued and fully paid capital stock was notarized under deed No. 22 dated October 9, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03.0973495. Year 2015 dated October 21, 2015.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Kahuripan Jaya Mandiri (KHJM)

On January 8, 2015, KHJM increased its issued and fully paid capital stock from Rp42,762,000 to Rp45,762,000 with par value of Rp1,000 (full amount) per share. ARCA subscribed for the increase of 1,530,000 shares for Rp1,530,000, which represents 51% ownership. PT Prospect Motor (PRM) subscribed for the increase of 1,470,000 shares for Rp1,470,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 5 dated January 8, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0007134.AH.01.03. Year 2015 dated February 3, 2015.

PT Gunung Suwarna Abadi (GNSA)

On January 8, 2015, GNSA increased its issued and fully paid capital stock from Rp138,738,000 to Rp143,738,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 2,550,000 shares for Rp2,550,000, which represents 51% ownership. PT Prospect Motor (PRM) subscribed for the increase of 2,450,000 shares for Rp2,450,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 6 dated January 8, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0007191.AH.01.03. Year 2015 dated February 3, 2015.

In December 2015, GNSA increased its issued and fully paid capital stock from Rp143,738,000 to Rp148,738,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 2,550,000 shares for Rp2,550,000, which represents 51% ownership and the remaining 2,450,000 shares amounting to Rp2,450,000, which represents 49% ownership, was acquired by PRM, third party. The increase in issued and fully paid capital stock was notarized under deed No. 58 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003127. Year 2016 dated January 15, 2016.

In December 2016, GNSA increased its issued and fully paid capital stock from Rp148,738,000 to Rp170,238,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 10,965,000 shares for Rp10,965,000 which represents 51% ownership and the remaining 10,535,000 shares amounting to Rp10,535,000, which represents 49% ownership, was acquired by PRM, third party. The increase in issued and fully paid capital stock was notarized under deed No. 57 dated December 14, 2016 of Dewi Himijati, Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010819. Year 2017 dated January 12, 2017.

PT Gunung Srimala Permai (GNSP)

On January 8, 2015, GNSP increased its authorized capital stock from Rp20,000,000 to Rp159,800,000 and increased its issued and fully paid capital stock from Rp5,000,000 to Rp39,950,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 17,824,500 series A shares for Rp17,824,500, which represents 51% ownership. PRM, third party, subscribed for the increase of 8,388,000 series A shares and 8,737,500 series B shares for Rp17,125,500, which represents 49% ownership. After the increase, total authorized capital stock series A and B became 29,962,500 and 9,987,500 shares, respectively. The increase in capital stock was notarized under deed No. 7 dated January 8, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0007529. Year 2015 dated February 4, 2015.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Gunung Srimala Permai (GNSP) (continued)

In December 2015, GNSP increased its issued and fully paid capital stock from Rp39,950,000 to Rp64,950,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 12,750,000 shares for Rp12,750,000, which represents 51% ownership. PT Prospect Motor (PRM), third party, subscribed for the increase of 12,250,000 shares for Rp12,250,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 59 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003144. Year 2016 dated January 15, 2016.

In December 2016, GNSP increased its issued and fully paid capital stock from Rp64,950,000 to Rp152,450,000 with par value of Rp1,000 (full amount) per share. IVJP subscribed for the increase of 44,625,000 shares for Rp44,625,000, which represents 51% ownership and the remaining 42,875,000 shares amounting to Rp42,875,000, which represents 49% ownership was acquired by PRM, third party. The increase in issued and fully paid capital stock was notarized under deed No. 58 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010905. Year 2017 dated January 12, 2017.

PT Kencana Jayaproperti Agung (KCJA)

On January 8, 2015, KCJA increased its issued and fully paid capital stock from Rp93,272,666 to Rp129,272,666 with par value of Rp1,000 (full amount) per share. IVJP subscribed for 18,360,000 shares for Rp18,360,000, which represents 51% ownership, PT Budiman Kencana Lestari (BKL) subscribed for 9,000,000 shares for Rp9,000,000, which represents 25% ownership and Colliman Limited (Colliman) subscribed for 8,640,000 shares for Rp8,640,000, which represents 24% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 6 dated July 2, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0952163. Year 2015 dated July 27, 2015.

In December 2015, KCJA increased its issued and fully paid capital stock from Rp129,272,666 to Rp232,272,666 with par value of Rp1,000 (full amount) per share. IVJP subscribed for 52,530,000 shares for Rp52,530,000, which represents 51% ownership, Colliman subscribed for 24,720,000 shares for Rp24,720,000, which represents 24% ownership and the remaining 25,750,000 shares amounting to Rp25,750,000, which represents 25% ownership was acquired by BKL, third party. The increase in issued and fully paid capital stock was notarized under deed No. 12 dated February 3, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0002504.AH.01.02. Year 2016 dated February 9, 2016.

In December 2016, KCJA increased its issued and fully paid capital from Rp232,272,666 to Rp257,782,664 with par value of Rp1,000 (full amount) per share. IVJP subscribed for 13,010,100 shares for Rp13,010,100, which represents 51% ownership, Coliman subscribed for 6,122,449 shares for Rp6,122,449, which represents 24% ownership and BKL, third party, subscribed for 6,377,449 shares for Rp6,377,449 which represents 25% ownership. The increase in issued and fuly paid capital strock was notarized under deed No. 56 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-D12200. Year 2017 dated January 12, 2017.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Sinergi Mutiara Cemerlang (SGMC)

On February 17, 2015, SLMM has acquired 51% ownership of Elite Field Investment Limited (EFI) in SGMC for Rp310,759,802, which was notarized under deed No. 52 of Dewi Himijati Tandika, S.H.

In December 2015, SGMC increased its issued and fully paid capital stock from Rp318,000,000 to Rp425,755,000 with par value of Rp1,000,000 (full amount) per share. SLMM subscribed for the increase of 54,955 shares for Rp54,955,000, which represents 51% ownership. PT Mutiara Properti Cemerlang (MPC), a third party, subscribed for the increase of 52,800 shares for Rp52,800,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 56 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03.0003389 dated January 15, 2016.

In December 2016, SGMC increased its issued and fully paid capital stock from Rp425,755,000 to Rp466,571,000 with par value of Rp1,000,000 (full amount) per share. SLMM subscribed for 20,816 shares for Rp20,816,000, which represents 51% ownership and MPC, third party, subscribed for the remaining 20,000 shares for Rp20,000,000, which represents 49% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 55 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010733 dated January 12, 2017.

PT Sukmabumi Mahakam Jaya (SBMJ)

In 2015, SBMJ was established with authorized capital stock of Rp4,000,000, of which Rp1,000,000 has been issued and fully paid by the stockholders. SMPD acquired 999,999 shares for Rp999,999, with par value of Rp1,000 (full amount) per share, representing 99.9999% ownership, while the remaining one share for Rp1, representing 0.00001% ownership, was subscribed by BHMS. The establishment of SBMJ was notarized under deed No. 67 dated April 22, 2015 of Dra. Rr. Hariyanti Poerbiantari, S.H., Mkn, which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-2436074.AH.01.01. Year 2015 dated April 24, 2015. As of the date of approval and authorization for issuance of these consolidated financial statements, the publication in the State Gazette of the Republic of Indonesia is still in process.

PT Bintang Mentari Indah (BNMI)

In December 2015, BNMI increased its authorized capital stock from Rp2,000,000 to Rp500,000,000 and increased its issued and fully paid capital stock from Rp500,000 to Rp132,600,000 with par value of Rp100,000 (full amount) per share. SLMM subscribed for all of the increase of 1,321,000 shares for Rp132,100,000. The increase in issued and fully paid capital stock was notarized under deed No. 60 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0000847.AH.01.02. Year 2016 dated January 15, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Lestari Mahadibya (LTMD)

In December 2015, LTMD increased its issued and fully paid capital stock from Rp632,894,970 to Rp676,594,970 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 43,700,000 shares for Rp43,700,000. The increase in issued and fully paid capital stock was notarized under deed No. 73 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03.0003207. Year 2016 dated January 15, 2016.

PT Summerville Property Management (SVPM)

In December 2015, SVPM increased its authorized capital stock from Rp17,000,000 to Rp65,000,000 and increased its issued and fully paid capital stock from Rp12,600,000 to Rp16,839,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 4,239,000 shares for Rp4,239,000. The increase in issued and fully paid capital stock was notarized under deed No. 74 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003215. Year 2016 dated January 15, 2016.

In December 2016, SVPM increased its issued and fully paid capital stock from Rp16,839,000 to Rp22,170,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed all the increase of 5,331,000 shares for Rp5,331,000. The increase in issued and fully paid capital stock was notarized under deed No. 75 dated December 15, 2016 of Dewi Himijati Tandika, S. H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011075. Year 2017 dated January 12, 2017.

PT Makmur Orient Jaya (MKOJ)

In December 2015, MKOJ increased its authorized capital stock from Rp500,000,000 to Rp1,000,000,000 and increased its issued and fully paid capital stock from Rp294,620,000 to Rp372,077,030 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 77,457,030 shares for Rp77,457,030. The increase in issued and fully paid capital stock was notarized under deed No. 64 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003185. Year 2016 dated January 15, 2016.

In December 2016, MKOJ increased its issued and fully paid capital stock from Rp372,077,030 to Rp427,953,030 with par value of Rp1,000 (full amount) per share. SMIP subscribed all the increase of 55,876,000 shares for Rp55,876,000. The increase in issued and fully paid capital stock was notarized under deed No. 76 dated December 15, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011116. Year 2017 dated January 12, 2017.

PT Kharisma Intan Property (KRIP)

In December 2015, KRIP increased its issued and fully paid capital stock from Rp137,716,000 to Rp175,901,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 38,185,000 shares for Rp38,185,000. The increase in issued and fully paid capital stock was notarized under deed No. 78 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003229. Year 2016 dated January 15, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Kharisma Intan Property (KRIP) (continued)

In December 2016, KRIP increased its issued and fully paid capital stock from Rp175,901,000 to Rp188,691,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all the increase of 12,790,000 shares for Rp12,790,000. The increase in issued and fully paid capital stock was notarized under deed No. 60 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010987. Year 2017 dated January 12, 2017.

PT Dunia Makmur Properti (DNMP)

In December 2015, DNMP increased its authorized capital stock from Rp80,000,000 to Rp200,000,000 and increased its issued and fully paid capital stock from Rp24,415,000 to Rp55,266,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 30,851,000 shares for Rp30,851,000. The increase in issued and fully paid capital stock was notarized under deed No. 81 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003257. Year 2016 dated January 15, 2016.

In December 2016, DNMP increased its issued and fully paid capital stock from Rp55,266,000 to Rp69,967,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed all the increase of 14,701,000 shares for Rp14,701,000. The increase in issued and fully paid capital stock was notarized under deed No. 61 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011032. Year 2017 dated January 12, 2017.

PT Summarecon Bali Indah (SMBI)

In December 2015, SMBI increased its issued and fully paid capital stock from Rp600,996,272 to Rp611,424,472 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all the increase of 10,428,200 shares for Rp10,428,200. The increase in issued and fully paid capital stock was notarized under deed No. 62 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003172. Year 2016 dated January 15, 2016.

In December 2016, SMBI increased its authrorized capital stock from Rp1,000,000,000 to Rp1,500,000,000 and increased its issued and fully paid capital stock from Rp611,424,472 to Rp706,973,605 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all the increase of 95,549,133 shares for Rp95,549,133. These matters were notarized under deed No. 78 dated December 15, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0000763.AH.01.02. Year 2017 dated January 12, 2017.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Permata Jimbaran Agung (PMJA)

In July 2015, BLID sold 935,633 and 1,871,267 shares in PMJA to I Made Sudarta (IMS) and Edwin Ekaputra Halim (EEH) with selling price amounting to Rp935,633 and Rp1,871,267, respectively, thereby reducing the ownership of BLID in PMJA from 18.00% to 16.65%. The difference between the selling price and the net book value amounting to Rp261,655, was recorded as "Differences from Transactions with Non-controlling Interests", presented under the equity section in the consolidated statement of financial position. These matters were notarized under deeds No. 41 and 42 dated August 14, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0957670. Year 2015 dated August 19, 2015.

On October 7, 2016, PMJA increased its issued and fully paid capital stock from Rp207,918,529 to Rp284,918,529 with par value of Rp1,000 (full amount) per share, which was issued and paid-in proportionally according to the percentage of ownership owned by each shareholders, except for SMBI and I Made Sudarta.

SMBI subscribed for the increase of 33,604,133 shares or amounting to Rp33,604,133, thus increased the ownership from 42% to 42.44%. I Made Sudarta subscribed for the increase of 314,367 shares or amounting to Rp314,367, thus decreased the ownership from 2.05% to 1.61%.

On the other hand, BLID subscribed for the increase of 12,820,500 shares or amounting to Rp12,820,500, representing 16.65% ownership. Soetjipto Nagaria subscribed for the increase of 22,699,600 shares or amounting to Rp22,699,600, representing 29.48% ownership. Thomas Lundi Halim subscribed for the increase of 6,868,400 shares or amounting to Rp6,868,400, representing 8.92% ownership. Edwin Ekaputra Halim subscribed for the increase of 693,000 shares or amounting to Rp693,000, representing 0.90% ownership. The increase in issued and fully paid capital stock was notarized under deed No. 18 dated October 7, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0088675. Year 2016 dated October 12, 2016.

PT Pradana Jaya Berniaga (PDJB)

In 2015, PDJB was established with authorized capital stock of Rp7,500,000, of which Rp2,000,000 has been issued and fully paid by the stockholders. PMJA acquired 999,999 series A shares and 1,000,000 series B shares with par value of Rp1,000 (full amount) per share, representing 99.99995% of ownership, while the remaining one series A share for Rp1,000 (full amount), representing 0.00005% of ownership, was subscribed by BLID. The establishment of PDJB was notarized under deed No. 39 dated June 11, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-2444134.AH.01.01. Year 2015 dated June 18, 2015 and was published in the State Gazette of Republic of Indonesia No. 91, Supplement No. 44857 dated November 13, 2015.

In December 2016, PDJB increased its authorized capital stock from Rp7,500,000 to Rp20,000,000 and increased its issued and fully paid capital stock from Rp Rp2,000,000 to Rp9,400,000 with par value of Rp1,000 (full amount) per share. PMJA subscribed for all the increase of 7,400,000 shares or amounting to Rp7,400,000. These matters were notarized under deed No. 47 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0000731.AH.01.02. Year 2017 dated January 12, 2017.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Bali Indah Development (BLID)

In December 2016, BLID increased its issued and fully paid capital stock from Rp193,579,967 to Rp197,574,967 with par value of Rp1,000 (full amount) per share. SMBI subscribed for all the increase of 3,995,000 shares or amounting to Rp3,995,000. The increase in issued and fully paid capital stock was notarized under deed No. 49 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010613. Year 2017 dated January 12, 2017.

PT Bali Indah Property (BLIP)

In December 2016, BLIP increased its issued and fully paid capital stock from Rp3,625,000 to Rp3,773,000 with par value of Rp1,000 (full amount) per share. SMBI subscribed for all the increase of 148,000 shares or amounting to Rp148,000. The increase in issued and fully paid capital stock was notarized under deed No. 48 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010592. Year 2017 dated January 12, 2017.

PT Bukit Permai Properti (BKPP)

In December 2016, BKPP increased its issued and fully paid capital stock from Rp458,472,397 to Rp477,156,397 with par value of Rp1,000 (full amount) per share. SMBI subscribed for the increase of 13,434,200 shares or amounting to Rp13,434,200, representing 70% ownership. The remaining 5,249,800 shares or amounting to Rp5,249,800, which represents 30% ownership, was subscribed by BLID. The increase in issued and fully paid capital stock was notarized under deed No. 50 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010670. Year 2017 dated January 12, 2017.

PT Hotelindo Permata Jimbaran (HOPJ)

In December 2016, HOPJ increased its authorized capital stock from Rp10,000,000 to Rp150,000,000 and increased its issued and fully paid capital stock from Rp2,500,000 to Rp55,319,000 with par value of Rp1,000 (full amount) per share. PMJA subscribed for all of the increase of 52,819,000 shares or amounting to Rp52,819,000. These matters were notarized under deed No. 46 dated December 13, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010326. Year 2017 dated January 12, 2017.

PT Sadhana Bumi Jayamas (SDBJ)

In December 2015, SDBJ increased its issued and fully paid capital stock from Rp49,494,000 to Rp80,827,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all of the increase of 31,333,000 shares or amounting to Rp31,333,000. The increase in issued and fully paid capital stock was notarized under deed No. 77 dated December 17, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003224. Year 2016 dated January 15, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Sadhana Bumi Jayamas (SDBJ) (continued)

In December 2016, SDBJ increased its issued and fully paid capital stock from Rp80,827,000 to Rp81,245,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all the increase of 418,000 shares or amounting to Rp418,000. The increase in issued and fully paid capital stock was notarized under deed No. 59 dated December 14, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0010943. Year 2017 dated January 12, 2017.

PT Unota Persadajaya (UNPS)

On June 29, 2015, BHMS sold its 1 share in UNPS to Company for Rp1,000 (full amount). On the same date, UNPS increased its issued and fully paid capital stock from Rp66,792,000 to Rp148,427,000 with par value of Rp1,000 (full amount) per share. SMIP, acting as the new investor in UNPS, subscribed for all of the increase of 81,635,000 shares for Rp81,635,000. The Company's ownership in UNPS decrease from 100% to 45% and SMIP's ownership became 55% after the increase in issued and fully paid capital stock. These matters were notarized under deed No. 163 dated June 29, 2015 of Dewi Himijati Tandika, S.H. which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0952143. Year 2015 dated July 27, 2015.

PT Java Orient Properti (JVOP)

On February 12, 2015, SMIP sold 329,999 shares, representing 33% ownership in JVOP to Dandan Jaya Kartika (DJK) and Amelia Tatiana, SS (AMT) with selling price amounting to Rp329,999. On the same date, SVPM sold 1 share in JVOP to AMT with selling price amounting to Rp1,000 (full amount), thereby lowering the ownership percentage owned by the Company in JVOP from 99.99% to 67.00%. The difference between the selling price and the net book value amounting to Rp265 was recorded as "Differences from Transactions with Non-controlling Interests", presented under the equity section in the consolidated statement of financial position. These matters were notarized under deeds No. 13, 14, 15 and 16 of P.Sutrisno A. Tampubolon, which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0009560. Year 2015 dated February 13, 2015.

On February 12, 2015, JVOP increased its authorized capital stock from Rp4,000,000 to Rp150,000,000 and increased its issued and fully paid capital stock from Rp1,000,000 to Rp90,000,000 with par value of Rp1,000 (full amount) per share.

On March 4, 2016, the shareholders of JVOP (SMIP, DJK and AMT) entered into a share purchase agreement, whereby SMIP acquired 4,968,000 and 15,732,000 shares from DJK and AMT, respectively, with par value of Rp1,000 (full amount) per share as the acquisition price. The difference between selling price and net book value amounting to Rp215,791 was recorded as "Differences from Transactions with Non-controlling Interests", presented under the equity section in the consolidated statement of financial position. These matters were notarized under deeds No. 6 dated March 4, 2016 of P.Sutrisno A. Tampubolon, which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0028853. Year 2016 dated March 4, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Java Orient Properti (JVOP) (continued)

Furthermore, on the same date, JVOP increased its authorized capital stock from Rp150,000,000 to Rp250,000,000 and increased its issued and fully paid capital stock from Rp90,000,000 to Rp152,000,000 with par value of Rp1,000 (full amount) per share. SMIP subscribed for the increase of 55,800,000 shares or amounting to Rp55,800,000, representing 90% ownership. The remaining shares were subscribed by DJK and AMT, for 1,537,600 shares or amounting to Rp1,537,600, which represents 2.48% ownership and 4,662,400 shares or amounting to Rp4,662,400, which represents 7.52% ownership, respectively. These matters were notarized under deed No. 9 dated March 4, 2016 of P.Sutrisno A. Tampubolon, which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0032651. Year 2016 dated March 18, 2016.

PT Mahakarya Buana Damai (MKBD)

In 2015, MKBD was established with authorized capital stock of Rp10,000,000, of which Rp2,500,000 has been issued and fully paid by the stockholders. SMIP acquired 2,499,999 shares for Rp2,499,999, with par value of Rp1,000 (full amount) per share, representing 99.9996% ownership, while the remaining one share for Rp1, representing 0.0004% ownership, was subscribed by SVPM. The establishment of MKBD was notarized under deed No. 27 dated January 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-007152.AH.01.01. Year 2015 dated February 13, 2015 and was published in the state Gazette of the Republic of Indonesia No. 33, Supplement No. 22080 dated April 24, 2015.

In December 2015, MKBD increased its authorized capital stock from Rp10,000,000 to Rp250,000,000 and increased its issued and fully paid capital stock from Rp2,500,000 to Rp73,468,001 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all of the 70,968,001 shares for Rp70,968,001. The increase in authorized capital stock was notarized under deed No. 63 dated December 16, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003180. Year 2016 dated January 15, 2016.

In December 2016, MKBD increased its issued and fully paid capital stock from Rp73,468,001 to Rp106,280,001 with par value of Rp1,000 (full amount) per share. SMIP subscribed for all of the 32,812,000 shares for Rp32,812,000. The increase in issued and fully paid capital stock was notarized under deed No. 77 dated December 15, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0011151. Year 2017 dated January 12, 2017.

PT Hotelindo Saribuana Damai (HSBD)

On November 3, 2016, HSBD was established with authorized capital stock of Rp1,000,000, of which Rp250,000 has been issued and fully paid by the stockholders. SMIP acquired 249,999 shares with par value of Rp1,000 (full amount) per share, representing 99.9996% ownership, while the remaining one share for Rp1,000 (full amount), representing 0.0004% ownership, was subscribed by SVPM. The establishment of HSBD was notarized under deed No. 16 dated November 3, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0049536.AH.01.01. Year 2016 dated November 7, 2016. As of the date of approval and authorization for issuance of the consolidated financial statement, the publication in the State Gazette of the Republic of Indonesia is still in process.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Hotelindo Java Properti (HIJP)

On November 22, 2016, HIJP was established with authorized capital stock of Rp1,000,000, of which Rp250,000 has been issued and fully paid by the stockholders. SMIP acquired 249,999 shares with par value of Rp1,000 (full amount) per share, representing 99.9996% ownership, while the remaining one share for Rp1,000 (full amount), representing 0.0004% ownership, was subscribed by SVPM. The establishment of HIJP was notarized under deed No. 60 dated November 22, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0052640.AH.01.01. Year 2016 dated November 25, 2016. As of the date of approval and authorization for issuance of the consolidated financial statement, the publication in the State Gazette of the Republic of Indonesia is still in process.

PT Hotelindo Cahaya Gemilang (HICG)

On November 22, 2016, HICG was established with authorized capital stock of Rp1,000,000, of which Rp250,000 has been issued and fully paid by the stockholders. SMIP acquired 249,999 shares with par value of Rp1,000 (full amount) per share, representing 99.9996% ownership, while the remaining one share for Rp1,000 (full amount), representing 0.0004% ownership, was subscribed by SVPM. The establishment of HICG was notarized under deed No. 61 dated November 22, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0052645.AH.01.01. Year 2016 dated November 25, 2016. As of the date of approval and authorization for issuance of the consolidated financial statement, the publication in the State Gazette of the Republic of Indonesia is still in process.

PT Serpong Tatanan Kota (STTK)

In December 2015, STTK increased its authorized capital stock from Rp10,000,000 to Rp15,000,000 and increased its issued and fully paid capital stock from Rp2,500,000 to Rp10,360,000 with par value of Rp1,000 (full amount) per share. SPCK subscribed for all of the 7,860,000 shares for Rp7,860,000. The increase in capital stock was notarized under deed No. 86 dated December 18, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-0000832.AH.01.02. Year 2016 and No. AHU-AH.01.03-0003342 dated January 15, 2016.

PT Bhakti Karya Vita (BTKV)

In 2015, BTKV received additional paid-in capital amounting to Rp6,000,000 from SPCK and Perhimpunan Saint Carolus (Note 23).

In December 2016, BTKV increased its issued and fully paid capital stock from Rp55,000,000 to Rp70,000,000 with par value of Rp1,000 (full amount) per share. SPCK subscribed for the increase of 9,000 shares or amounting to Rp9,000,000, representing 60% ownership. The remaining of 6,000 shares or amounting to Rp6,000,000, which represents 40% ownership, was subscribed by Perhimpunan Saint Carolus, which has been paid in previous years. The increase in issued and fully paid capital stock was notarized under deed No. 88 dated December 16, 2016 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0109036. Year 2016 dated December 19, 2016.

1. GENERAL (continued)

e. Changes in Capital Structure of the Subsidiaries (continued)

PT Jaya Bangun Abadi (JYBA)

In December 2015, JYBA increased its issued and fully paid capital stock from Rp77,801,000 to Rp90,202,000 with par value of Rp1,000 (full amount) per share. SPCK subscribed for all of the 12,401,000 shares for Rp12,401,000. The increase in capital stock was notarized under deed No. 87 dated December 18, 2015 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0003349. Year 2016 dated January 15, 2016.

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 March 24, 2017, 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 the Indonesian Financial Accounting Standards ("SAK"), which consist of the Statements of Financial Accounting Standards ("PSAK") and Interpretations to Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and the Regulations Financial Statement Presentation and Disclosure for Issuer or Public Company issued by the Financial Service Authority ("OJK", formerly BAPEPAM-LK).

The consolidated financial statements have been prepared on the accrual basis using the historical cost concept 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 presents cash flows classified into operating, investing and financing activities. The cash flows from operating activities are presented using the direct method.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies

The Group had adopted amendment of accounting standards which effective from January 1, 2016 that are considered relevant to the consolidated financial statements as follows:

- Amendments to PSAK No. 4: Separate Financial Statements of Equity Method in Separate Financial Statements. The amendments allow the use of the equity method as a method of recording the investment in subsidiaries, joint ventures and associates in the separate financial statements of the entity.

- Amendments to PSAK No. 16: Property, Plant and Equipment on Clarification of the Accepted Method for Depreciation and Amortization. The amendments clarify the principle in PSAK No. 16 and PSAK No. 19 Intangible Asset that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue based method cannot be used to depreciate the property, plant and equipment.

- Amendment to PSAK No. 24: Employee Benefits on Defined Benefit plans: Employee Contributions. PSAK No. 24 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

- Amendments to PSAK No. 66: Joint Arrangement on Accounting for Acquisition of Interests in Joint Operations. The amendments require that all principles on business combinations accounting in PSAK No. 22: Business Combinations and other PSAKs and the disclosures requirements applicable to the acquisition of the initial interest and additional interest in a joint operation, to the extent that do not conflict with the guidance in this PSAK.

- Amendments to PSAK No. 67: Disclosure of Interests in Other Entities on Investment Entities: Application of Consolidation Exceptions.The amendments clarify the consolidation exceptions for investment entities when certain criteria are met.

- PSAK No. 5 (2015 Improvement): Operating Segments. The improvement clarifies that: An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of PSAK No. 5 including a brief description of operating segments that have been aggregated and the economic characteristics, and disclose the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

- PSAK No. 7 (2015 Improvement): Related Party Disclosures. The improvement clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. An entity that uses a management entity is required to disclose the expenses incurred for management services.

- PSAK No. 13 (2015 Improvement): Investment Property. The improvement clarifies that PSAK No. 13 and PSAK No. 22 are related. An Entity shall refer to PSAK No. 13 to differentiate between investment property and owner-occupied property. An Entity shall refer to PSAK No. 22 as guidance to determine whether the acquisition of investment property is a business combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Changes in accounting policies (continued)

The Group had adopted amendment of accounting standards which effective from January 1, 2016 that are considered relevant to the consolidated financial statements as follows: (continued)

- PSAK No. 16 (2015 Improvement): Property, Plant and Equipment. The improvement clarifies that in PSAK No. 16 and PSAK No. 19 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. Carrying amounts of the asset is restated by revalued amounts.

- PSAK No. 25 (2015 Improvement): Accounting Policies, Changes in Accounting Estimates and Errors. The improvement provides editorial correction for paragraph 27 of PSAK No. 25.

- PSAK No. 68 (2015 Improvement): Fair Value Measurement. The improvement clarifies that the portfolio exception in PSAK No. 68 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PSAK No. 55, “Financial Instruments: Recognition and Measurement”.

- ISAK No. 31: Interpretation of scope for PSAK No. 13: Investment property. ISAK No. 31 provides interpretation to building characteristic which has been used as a part of investment property definition on PSAK No. 13.

The adoption of the above PSAKs, do not have significant impact to the financial reporting and disclosure in the consolidated financial statements, except for the implementation of ISAK No. 31 which provides a significant impact on the consolidated financial statements (Notes 11 and 12).

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 and 1e.

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 the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
(b) Exposure, or rights, to variable returns from its involvement with the 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Principles of consolidation (continued)

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.

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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. Transactions with related parties

A related party is a person or entity that is related to the Group.

a. An individual or family member is related to the Group if it:
   (i) has control or joint control over the Group;
   (ii) has significant influence over the Group; or
   (iii) is a member of the key management personnel of the Group or of the parent entity of the Company.

b. A party is considered to be related to the Group if:
   (a) directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control within the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or, (iii) has joint control over the Group;
   (b) the party is an associate of the Group;
   (c) the party is a joint venture in which the Group is a venturer;
   (d) the party is a member of the key management personnel of the Group;
   (e) the party is a close member of the family of any individual referred to in (a) or (d);
   (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or,
   (g) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

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 32.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Inventories (continued)

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 estimation cost is reviewed at the end of each reporting period until the project is substantially completed, if there is a change, the Company will revise the cost.

Other inventories consist of food, beverages and others which are related to operational activities of the Group's hotel, club house and hospital are stated at the lower of cost or net realizable value.

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.

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
Vehicles	5 - 10
Furniture and office equipment	2 - 5

Land is stated at cost and is not depreciated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Fixed assets (continued)

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 and hotel facilities 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

Based on the Company's management assessment and evaluation, began on January 1, 2015, the Company changes its useful lives of the building from 20 years to 40 years.

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Investment properties (continued)

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 Group classifies a lease based on the extent to which risks and rewards incidential to the ownership of a leased asset are vested upon the lessor or the lessee, and on the substance of the transaction rather than the form of the contract, at inception date.

<u>Finance lease</u>
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an asset.

<u>Operating lease</u>
A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the leased asset. Accordingly, the lease payments received by the Group as lessors are recognized as income using the straight-line method over the lease term.

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 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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:

(i) Revenues 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.

(ii) 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.

(iii) 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 fulfilled.
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".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Revenue and expense recognition (continued)

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.

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

<u>Short-term employee benefits</u>

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.

<u>Post-employment benefits</u>

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 eligible 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Employee benefits (continued)

Post-employment benefits (continued)

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 December 31, 2016 and 2015, the rates of exchange used were as follows:

	December 31, 2016 (Full amounts)	December 31, 2015 (Full amounts)
1 European euro (Euro)	14,162	15,070
1 United States dollar (US$)	13,436	13,795
1 Singapore dollar (Sin$)	9,299	9,751

Transactions in other foreign currencies are considered not significant.

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 recognizing losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Income tax (continued)

Final Tax (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

t. Income tax (continued)

Deferred Tax (continued)

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial instruments (continued)

i. Financial assets (continued)

Subsequent Measurement (continued)

As of December 31, 2016 and 2015, 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.

The Group has determined that its financial assets are categorized as loans and receivables.

- 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; or
(ii) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial instruments (continued)

i. Financial assets (continued)

Derecognition of financial asset (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial instruments (continued)

i. Financial assets (continued)

Impairment of financial assets (continued)

- 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.

  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 December 31, 2016 and 2015, 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial instruments (continued)

ii. Financial liabilities (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial instruments (continued)

ii. Financial liabilities (continued)

Fair value hierarchy (continued)

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.

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. Earnings 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

z. Events after the financial reporting period

Post year-end events that provide additional information about the Group’s position at reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. MANAGEMENT'S USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements require 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 the asset or liability 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:

- *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 financial 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.

3. MANAGEMENT'S USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

- *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.

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

3. MANAGEMENT'S USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

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: (continued)

· *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 recognized.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	December 31,	
	2016	**2015**
Cash on hand		
Rupiah	6,692,011	6,805,310
Foreign currencies	631,681	802,058
Total cash on hand	7,323,692	7,607,368
Cash in banks		
Rupiah		
PT Bank Permata Tbk	526,162,475	399,196,170
PT Bank Central Asia Tbk	265,212,491	299,781,532
PT Bank Mandiri (Persero) Tbk	98,922,557	53,067,481
PT Bank OCBC NISP Tbk	23,553,225	31,641,634
PT Bank CIMB Niaga Tbk	22,795,560	26,997,574
PT Bank Internasional Indonesia Tbk	4,275,647	10,555,776
PT Bank Pan Indonesia Tbk	2,707,087	40,025,054
PT Bank ANZ Indonesia	226,785	27,649,837
Others (each below Rp10,000,000)	13,558,657	11,707,747
United States dollar		
PT Bank Permata Tbk (US$4,753,430 in 2016 and US$1,113 in 2015)	63,867,083	15,353
PT Bank ANZ Indonesia (US$16,553 in 2016 and US$1,295,436 in 2015)	222,406	17,870,539
Others (each below Rp5,000,000) (US$442,284 in 2016 and US$647,635 in 2015)	5,942,532	8,934,138
Other currencies		
Others (each below Rp2,000,000)	2,692,299	2,719,800
Total cash in banks	1,030,138,804	930,162,635

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

4. CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents consist of the following: (continued)

	December 31, 2016	December 31, 2015
Time deposits		
Rupiah		
PT Bank Permata Tbk	548,901,122	331,603,932
PT Bank Central Asia Tbk	339,377,537	83,067,127
PT Bank Mandiri (Persero) Tbk	46,364,794	32,050,849
PT Bank UOB Indonesia Tbk	35,000,000	10,000,000
PT Bank Mayora Tbk	20,000,000	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	18,000,000	5,000,000
PT Bank Pan Indonesia Tbk	12,500,000	-
PT Bank OCBC NISP Tbk	10,000,000	35,069,041
Others (each below Rp10,000,000)	2,854,258	4,030,511
United States dollar		
PT Bank Resona Perdania (US$275,300 in 2016 and US$280,564 in 2015)	3,698,937	3,870,377
PT Bank OCBC NISP Tbk (US$152,000)	2,042,272	-
PT Bank Central Asia Tbk (US$2,409,251)	-	33,235,620
PT Bank Permata Tbk (US$2,018,747)	-	27,848,620
Total time deposits	1,038,738,920	565,776,077
Total cash and cash equivalents	**2,076,201,416**	**1,503,546,080**

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

	Year ended December 31, 2016	Year ended December 31, 2015
Rupiah	4.25% - 9.50%	5.00% - 10.00%
United States dollar	0.35% - 0.75%	0.15% - 3.00%

As of December 31, 2016, cash on hand is covered by insurance against theft and other risks with PT Asuransi Allianz Utama Indonesia and PT Asuransi ACE, all third parties, with total coverage of Rp42,028,500 (2015: Rp65,658,500). The Group’s management is of the opinion 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 or 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 December 31, 2016 and 2015, no cash and cash equivalents pledged as collateral of loans.

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

5. TRADE RECEIVABLES

The details of trade receivables are as follows:

	December 31,	
	2016	**2015**
Related parties (Note 32)		
Sale of houses, shops and landplots	36,680,361	391,564
Rental of retail and commercial investment properties	2,049,311	3,381,407
Sale of apartments	456,700	-
Others	-	13,560
Sub-total	**39,186,372**	**3,786,531**
Third parties		
Sale of houses, shops and landplots	291,884,496	12,080,843
Sale of apartment	195,346,569	72,977,221
Rental of retail and commercial investment properties	27,312,728	33,872,313
Hotel services	3,395,251	2,484,591
Rental of residential and office investment properties	914,264	4,546,078
Monthly membership fees in sports club	721,836	3,249,719
Others	19,841,236	12,923,985
Sub-total	**539,416,380**	**142,134,750**
Total trade receivables	**578,602,752**	**145,921,281**
Less of current maturities	(539,087,187)	(145,921,281)
Long-term portion	**39,515,565**	**-**

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

As of December 31, 2016, trade receivables from thrird parties belonged to specific subsidiaries, amounting to Rp28,351,960 (2015: Rp32,371,486) are pledged as collateral for loans payable to BCA (Note 14).

Based on a review of the status of the individual trade receivables at the end of the year, 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.

In relation to operating leases of the Group, the following is the aggregate amount of future minimum lease payments for each period under non-cancellable operating leases (unaudited):

	December 31,	
	2016	**2015**
< 1 year	482,360,439	323,521,058
1-5 years	668,646,306	369,185,313
> 5 years	5,761,779	16,213,829
Total operating lease receivables	**1,156,768,524**	**708,920,200**

In 2016, total contingent rent, which was recognized as revenue, amounted to Rp66,111,634 (2015: Rp68,260,090)

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

5. TRADE RECEIVABLES (continued)

General terms and conditions of lessor agreements are as follows:
- Rental periods range from 1 to 10 years.
- Lessee is required to pay 20% non-refundable rental downpayment at the beginning of the rental period, while the remaining rental fees are payable in installments over the lease term as agreed upon by both parties.
- Lessee is required to pay service charge at certain rate per square meter (m^2), which is billed and paid on a quarterly basis.
- Lessee is required to pay promotion fees to the lessor for promotion activities at a certain rate per m^2 annually.
- Lessee is required to pay rental security deposit equivalent to one month rental fee and three months' service charge and pay telephone deposit at a certain rate per line.
- Utility charges are determined based on the conditions set by the lessor.
- Penalty fee is 3% per month for any outstanding rental receivables and calculated from the due date.
- Fit-out work is performed four weeks from the space handover date. The fit-out results must be appropriate with the concept design which is approved by the lessor.

6. OTHER RECEIVABLES

This account consists of receivables from third parties, as follows:

	December 31,	
	2016	**2015**
Current other receivables		
Interest	2,477,564	554,749
Insurance	1,259,183	-
Land management	652,262	1,682,609
Contractor	322,045	803,412
Others	4,512,174	3,073,983
Total current other receivables	9,223,228	6,114,753
Non-current other receivables - others	347,067	347,067
Total other receivables	**9,570,295**	**6,461,820**

Based on the review of the status of the individual receivables at the end of the year, management believes that all other receivables are fully collectible and therefore no allowance for impairment of other receivables is necessary.

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

7. INVENTORIES

Inventories consist of:

	December 31,	
	2016	**2015**
Inventories available for sale		
Landplots	141,145,880	71,468,116
Houses	110,352,874	43,612,358
Shops	19,140,173	27,719,539
Total inventories available for sale	270,638,927	142,800,013
Inventories under construction		
Buildings	2,366,607,014	2,068,578,885
Apartments	1,550,284,600	1,476,738,490
Landplots	1,285,765,558	1,211,118,449
Total inventories under construction	5,202,657,172	4,756,435,824
Others	57,750,613	25,571,090
Total inventories	**5,531,046,712**	**4,924,806,927**

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

	Year ended December 31,	
	2016	**2015**
Beginning balance	3,545,317,375	1,967,632,285
Production costs	2,189,471,737	3,269,528,947
Transfer to buildings and apartments inventories available for sale	(1,817,897,498)	(1,691,843,857)
Ending balance	**3,916,891,614**	**3,545,317,375**

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

	Year ended December 31,	
	2016	**2015**
Beginning balance:		
Shops	27,719,539	112,127,097
Houses	43,612,358	25,724,083
Apartments	-	-
Transfer from buildings and apartments inventories under construction	1,817,897,498	1,691,843,857
Cost of sales (Note 29):		
Apartments	(997,862,711)	(885,101,875)
Houses	(737,516,712)	(601,391,348)
Shops	(24,165,931)	(271,869,917)
Ending balance	**129,684,041**	**71,331,897**

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

7. INVENTORIES (continued)

Real estate development inventories which are already covered by signed sales/purchase agreements but have not yet been recognized as sales are as follows:

	December 31,	
	2016	**2015**
Inventories available for sale		
Houses	106,802,725	37,913,237
Landplots	56,639,220	56,466,401
Shops	16,620,765	21,687,072
Total inventories available for sale	180,062,710	116,066,710
Inventories under construction		
Buildings	2,749,491,692	3,401,479,798
Landplots	91,822,682	103,628,540
Total	**3,021,377,084**	**3,621,175,048**

The downpayments received related to the above-mentioned inventories as of December 31, 2016, amounting to Rp2,615,327,807 (2015: Rp2,342,879,286) are presented as Deposits Received in the consolidated statement of financial position and as part of “Downpayments Received from Sale” in Note 21

As of December 31, 2016, inventories in such properties known as Goldfinch, Scarlet, Volta, The Crown, Pascal, Darwin Commercial, The Kensington Commercial, Lotus, Bluebell, Topaz Commercial, Vernonia, Royal Orchard 3, Graha Bulevar Signature, Kavling BCBD and Kavling Binus are available for sale, and inventories by name Maxwell, Maxwell Commercial, Scientia Residence Phase II, Pelican, Flaminggo, Goldfinch Commercial, Faraday, Faraday Commercial, Edison, Alloggio Commercial, Aristoteles Commercial, Volta Commercial, Emerald Cove 2, Midtown Apartment, Alloggio, Rainbow Springs Condovillas, The Kensington Royal Suite, Blok KR, Graha PA Commercial, Cluster Sederhana, Ruby Commercial, The SpringLake Apartment, The SpringLake View Apartment, The Primrose Condovilla, Btari, Amanda, Cynthia, Advani and Elora are inventories under construction or completion.

As of December 31, 2015, inventories in such properties known as Goldfinch, Scarlet, Volta, The Crown, Pascal, The Kensington Commercial, Topaz Commercial, Vernonia, Bluebell, Lotus, Graha Bulevar Commercial and Royal Orchard 3 are available for sale, and inventories in Maxwell, Scientia Apartment II, Pelican, Goldfinch Commercial, Faraday, Edison, Flaminggo, Jasmine Extension Commercial, Emerald Cove 2, Midtown Apartment, Alloggio, The Kensington Residence, Blok KR, Graha PA Commercial, Cluster Sederhana, The Springlake Apartment and Rainbow Springs Condovillas are inventories under construction or completion.

As of December 31, 2016, percentage of completion on Midtown Apartment, Rainbow Springs Condovillas, The Kensington Royal Suite, The Springlake Apartment, The Springlake View Apartment and The Primrose Condovilla project respectively are 58.15%, 51.00%, 51.23%, 93.00%, 20.50% and 37.94%.

As of December 31, 2015, percentage of completion on Midtwon Apartment, The Kensington Royal Suite, The Springlake Apartment, and Scientia Apartment II project respectively are 25.00%, 25.39%, 52.00% and 100%.

As of December 31, 2016, inventories amounted to Rp716,948,280 used as collateral for loans payable to BCA (Note 14), meanwhile as of December 31, 2015, inventories was not used as collateral of debts. As of December 31, 2016, borrowing costs which capitalized to inventories were amounted to Rp72,511,452 (2015: Rp14,918,649). Capitaization rate which used to determine the amount of borrowing costs that can be capitalized is ranged 8.90% - 10.80%.

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

7. INVENTORIES (continued)

As of December 31, 2016, 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 and PT Asuransi Central Asia, all third parties, with total coverage of Rp3,330,702,390 and US$34,289,440 (2015: Rp2,943,001,908 and US$10,846,949). The Group's management is of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

As of December 31, 2016, revenue from property development presented as part of net revenues in the consolidated statements of profit or loss and other comprehensive income amounted to Rp3,560,829,800 (2015: Rp3,977,367,100) (Note 28).

Based on the review of the physical conditions and net realizable value of inventory at the reporting date, The Group's management believes that inventories are realizable at the above amounts and no provision for losses is necessary.

8. PREPAID EXPENSES

This account consists of prepayments to third parties for:

	December 31,	
	2016	**2015**
Advertising	15,200,067	14,758,645
Debt transaction cost	5,346,302	7,104,184
Insurance	4,571,012	6,859,904
Others	9,412,225	6,409,239
Total prepaid expenses	**34,529,606**	**35,131,972**

9. UNDEVELOPED LAND

The details of undeveloped land are as follows:

	December 31, 2016		December 31, 2015	
Location	**Area (m²)**	**Amount**	**Area (m²)**	**Amount**
Summarecon Bogor	4,149,496	762,575,489	4,147,799	755,109,926
Summarecon Bekasi	3,887,067	928,175,467	4,030,235	964,132,733
Summarecon Makassar	3,347,364	741,673,806	2,110,407	543,046,003
Summarecon Bandung	3,339,658	1,600,057,450	3,394,927	1,569,894,595
Summarecon Serpong	2,976,420	1,016,305,263	3,081,813	942,590,498
Summarecon Karawang	323,721	386,212,986	317,830	383,464,725
Others	2,093,341	722,513,983	2,087,362	579,205,224
Total undeveloped land	**20,117,067**	**6,157,514,444**	**19,170,373**	**5,737,443,704**

The status of ownership of undeveloped land is as follows:

	December 31,	
	2016	**2015**
Status	**Area (m^2)**	**Area (m^2)**
Land certificates already issued	10,623,739	7,873,270
Released rights ("*pelepasan hak*")	9,112,564	10,763,006
In the process of releasing rights ("*pelepasan hak*")	380,764	534,097
Total	**20,117,067**	**19,170,373**

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

9. UNDEVELOPED LAND (continued)

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 December 31, 2016 and 2015, some undeveloped land properties are pledged as collateral for loans from banks (Note 14), with details of the carrying value of the assets as follows:

	December 31, 2016		December 31, 2015	
Location	**Area (m^2)**	**Amount**	**Area (m^2)**	**Amount**
Summarecon Serpong				
- PT Bank Central Asia Tbk	158,678	14,760,035	64,328	9,332,115
- PT Bank Mandiri (Persero) Tbk	284,144	26,710,673	284,144	24,364,414
Total	**442,822**	**41,470,708**	**348,472**	**33,696,529**

As of December 31, 2016 and 2015, undeveloped land with total area 219,300 m^2 with carrying value amounted Rp20,623,766 are used as collateral for “Obligasi Berkelanjutan I Phase III” (Note 15).

No borrowing costs have been capitalized to undeveloped land as of December 31, 2016 and 2015.

10. ADVANCE PAYMENTS

This account consists of payments for:

	December 31,	
	2016	**2015**
Current advance payments:		
Purchase of construction materials	184,422,034	277,895,755
Sales commission	80,396,033	99,894,738
Others	41,003,345	45,511,527
Total current advance payments	305,821,412	423,302,020
Non-current advance payments:		
Purchase of:		
Land	486,388,304	603,953,335
Fixed assets and investment properties	17,455,529	45,831,726
Investment	7,166,822	7,166,822
Others	1,053,870	3,179,089
Total non-current advance payments	512,064,525	660,130,972
Total advance payments	**817,885,937**	**1,083,432,992**

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

11. FIXED ASSETS

The details of fixed assets are as follows:

	Balance as of December 31, 2015	Year ended December 31, 2016 - Additions	Deductions*	Reclassifications	Balance as of December 31, 2016
Cost					
Direct ownership					
Land	20,698,962	-	-	-	20,698,962
Buildings and infrastructures	267,862,183	9,256,841	67,191	31,940,347	308,992,180
Machinery and heavy equipment	37,195,524	23,232,623	128,700	12,758,016	73,057,463
Vehicles	104,193,166	6,003,249	2,633,894	374,307	107,936,828
Furniture and office equipment	369,217,202	27,037,789	1,620,176	40,931,465	435,566,280
Sub-total	799,167,037	65,530,502	4,449,961	86,004,135	946,251,713
Under finance lease - Vehicles	350,398	-	-	(350,398)	-
Construction in progress	30,295,324	11,780,715	117,500	(32,382,437)	9,576,102
Total cost	829,812,759	77,311,217	4,567,461	53,271,300	955,827,815
Accumulated depreciation					
Direct ownership					
Buildings and infrastructures	111,871,961	14,281,573	8,209	323,057	126,468,382
Machinery and heavy equipment	20,399,242	4,779,454	-	-	25,178,696
Vehicles	64,659,957	14,261,904	2,140,961	152,324	76,933,224
Furniture and office equipment	212,257,223	62,290,064	604,129	1,961,043	275,904,201
Sub-total	409,188,383	95,612,995	2,753,299	2,436,424	504,484,503
Under finance lease - Vehicles	152,324	-	-	(152,324)	-
Total accumulated depreciation	409,340,707	95,612,995	2,753,299	2,284,100	504,484,503
Net book value	**420,472,052**				**451,343,312**

* consists of sales and disposals

	Balance as of December 31, 2014	Year ended December 31, 2015 - Additions	Deductions*	Reclassifications	Balance as of December 31, 2015
Cost					
Direct ownership					
Land	20,690,593	8,369	-	-	20,698,962
Buildings and infrastructures	238,086,898	19,458,617	449,628	10,766,296	267,862,183
Machinery and heavy equipment	28,060,630	2,103,122	46,916	7,078,688	37,195,524
Vehicles	95,688,310	12,954,511	4,449,655	-	104,193,166
Furniture and office equipment	286,268,151	64,596,270	2,179,163	20,531,944	369,217,202
Sub-total	668,794,582	99,120,889	7,125,362	38,376,928	799,167,037
Under finance lease - Vehicles	350,398	-	-	-	350,398
Construction in progress	24,854,895	22,661,172	726,000	(16,494,743)	30,295,324
Total cost	693,999,875	121,782,061	7,851,362	21,882,185	829,812,759

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

11. FIXED ASSETS (continued)

The details of fixed assets are as follows: (continued)

	Balance as of December 31, 2014	Year ended December 31, 2015 Additions	Deductions*	Reclassifications	Balance as of December 31, 2015
Accumulated depreciation					
Direct ownership					
Buildings and infrastructures	97,822,089	14,194,434	144,562	-	111,871,961
Machinery and heavy equipment	13,432,756	3,793,316	22,572	3,195,742	20,399,242
Vehicles	53,140,739	14,968,185	3,448,967	-	64,659,957
Furniture and office equipment	161,413,619	55,614,898	1,575,090	(3,196,204)	212,257,223
Sub-total	325,809,203	88,570,833	5,191,191	(462)	409,188,383
Under finance lease - Vehicles	96,935	55,389	-	-	152,324
Total accumulated depreciation	325,906,138	88,626,222	5,191,191	(462)	409,340,707
Net book value	**368,093,737**				**420,472,052**

* consists of sales and disposals

Depreciation was charged to the following:

	Year ended December 31, 2016	2015
General and administrative expenses (Note 30)	85,755,606	78,330,263
Cost of sales and direct costs	9,857,389	10,295,959
Total depreciation	**95,612,995**	**88,626,222**

The details of sales of fixed assets are as follows:

	Year ended December 31, 2016	2015
Cost	3,455,228	7,474,937
Accumulated depreciation	(2,072,617)	(5,028,019)
Net book value	1,382,611	2,446,918
Selling price	2,002,980	3,431,387
Gain on sales of fixed assets - net	**620,369**	**984,469**

In 2016, the Group disposed certain of its fixed assets with net book value of Rp431,751 (2015: Rp213,253).

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

11. FIXED ASSETS (continued)

The details of construction in progress are as follows:

	December 31, 2016		December 31, 2015	
Project	**Amount**	**Percentage of completion (%)**	**Amount**	**Percentage of completion (%)**
Main Monument	2,716,632	44.00	-	-
Multipurpose Building	1,764,132	75.00	-	-
Archieve Building	-	-	10,856,080	83.00
KSO Biomassa Building	-	-	8,802,684	90.00
Renovation of Plaza Summarecon	-	-	7,504,139	99.00
Others	5,095,338	-	3,132,421	-
Total construction in progress	**9,576,102**		**30,295,324**	

Below are the estimated completion dates for the construction in progress as of December 31, 2016:

	Estimated Completion Dates
Multipurpose Building	July 2017
Main Monument	September 2019

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 December 31, 2016 borrowing costs have been capitalized to fixed assets amounting Rp18,334,548 (2015: RpNil).

In 2016, the reclassifications of fixed assets with net book value amounting to Rp97,706 (2015: Rp1,769,435), respectively, to investment properties was due to the change in management's intention on the use of the related assets (Note 12).

In 2016, the reclassifications of fixed assets with net book value amounting to Rp49,121,751 (2015: Rp12,025,906), respectively, from investment properties (Note 12) was due to the change in management's intention on the use of the related assets.

In 2016, the reclassifications of fixed assets to inventories amounting to RpNil (2015: Rp34,883).

In 2016, the reclassifications from inventories to fixed assets with net book value amounting to RpNil (2015: Rp11,661,059), respectively, was due to the change in management's intention on the use of the related assets (Note 7).

In 2016, the reclassifications from construction in progress to fixed assets amounting to Rp32,382,437 (2015 : Rp16,494,743), respectively.

In 2016, the reclassifications of fixed assets to undevelop land with net book value amounting to Rp43,055 (2015: RpNil), respectively, was due to the change in management's intention on the use of the related assets.

In 2016, the reclassifications of fixed assets with net book value amounting to Rp2,006,210 from investment properties was due to the early adoption of ISAK No. 31 starting on January 1, 2016 (Note 12).

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

11. FIXED ASSETS (continued)

In 2016, fixed assets, except land, with net book value of Rp174,018,647 (2015: Rp111,317,061) 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 KSK Insurance Indonesia and PT Asuransi Asoka Mas, all third parties, with sum insured amounting US$25,972,559 and Rp199,172,398 (2015: US$33,015,968 and Rp95,164,214).

As of December 31, 2016, fixed assets with net book value of Rp237,491,412 (2015: Rp181,683,407), are used as collateral for the loans from banks and financing institutions (Note 14).

The fair value of the fixed assets as of December 31, 2016 and 2015 amounting to Rp798,490,000 was determined by independent appraisers KJPP Hendra Gunawan and Partners in its report dated May 23, 2014.

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 December 31, 2016.

12. INVESTMENT PROPERTIES

The details of investment properties are as follows:

		Year ended December 31, 2016			
	Balance December 31, 2015	**Additions**	**Deductions***	**Reclassifications**	**Balance December 31, 2016**
Cost					
Land	863,395,551	23,019,486	-	125,000	886,540,037
Building and infrastructures	3,330,952,646	54,316,727	1,561,334	303,809,087	3,687,517,126
Machinery and heavy equipment	540,119,435	9,941,702	159,260	134,549,677	684,451,554
Hotel facilities	111,362,678	102,553	-	116,309,014	227,774,245
Furniture and office equipment	11,262,696	-	-	(11,262,696)	-
Sub-total	4,857,093,006	87,380,468	1,720,594	543,530,082	5,486,282,962
Construction in progress	336,649,545	307,099,252	-	(590,831,736)	52,917,061
Total cost	5,193,742,551	394,479,720	1,720,594	(47,301,654)	5,539,200,023
Accumulated depreciation					
Building and infrastructures	559,917,123	101,688,028	-	1,119,680	662,724,831
Machinery and heavy equipment	261,229,054	52,731,905	159,260	-	313,801,699
Hotel facilities	57,161,032	18,814,515	-	4,248	75,979,795
Furniture and office equipment	3,683,536	-	-	(3,683,536)	-
Total accumulated depreciation	881,990,745	173,234,448	159,260	(2,559,608)	1,052,506,325
Net book value	**4,311,751,806**				**4,486,693,698**

* consists of sales and disposals

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

12. INVESTMENT PROPERTIES (continued)

The details of investment properties are as follows: (continued)

	Balance December 31, 2014	Year ended December 31, 2015			Balance December 31, 2015
		Additions	Deductions*	Reclassifications	
Cost					
Land	756,707,036	105,534,529	-	1,153,986	863,395,551
Building and infrastructures	2,871,564,234	106,240,002	13,527,403	366,675,813	3,330,952,646
Machinery and heavy equipment	478,715,395	30,343,858	316,479	31,376,661	540,119,435
Hotel facilities	67,279,817	1,270,852	-	42,812,009	111,362,678
Furniture and office equipment	11,156,371	585,632	-	(479,307)	11,262,696
Sub-total	4,185,422,853	243,974,873	13,843,882	441,539,162	4,857,093,006
Construction in progress	576,650,534	230,956,641	353,209	(470,604,421)	336,649,545
Total cost	4,762,073,387	474,931,514	14,197,091	(29,065,259)	5,193,742,551
Accumulated depreciation					
Building and infrastructures	481,117,066	92,323,555	13,527,403	3,905	559,917,123
Machinery and heavy equipment	211,188,510	49,713,100	-	327,444	261,229,054
Hotel facilities	49,053,318	8,107,714	-	-	57,161,032
Furniture and office equipment	1,826,276	2,188,609	-	(331,349)	3,683,536
Total accumulated depreciation	743,185,170	152,332,978	13,527,403	-	881,990,745
Net book value	**4,018,888,217**				**4,311,751,806**

* consists of sales and disposals

Depreciation was charged to the following:

	Year ended December 31,	
	2016	**2015**
Cost of sales and direct costs	171,542,814	150,489,594
General and administrative expenses (Note 30)	1,691,634	1,843,384
Total depreciation	**173,234,448**	**152,332,978**

As of December 31, 2016, the Group sell of investment properties with net book value of RpNil, so that the profit from sale of investment properties amounting to Rp63,636.

As of December 31, 2016, the Group disposed certain of its investment properties with net book value of Rp1,561,334 (2015: Rp669,688).

In 2016, the reclassifications from construction in progress to the appropriate completed investment properties amounting to Rp590,145,300 (2015: Rp460,080,395), respectively.

In 2016, the reclassification of investment properties with net book value amounting to Rp97,706 (2015: Rp1,769,435) from fixed assets was due to the change in management's intention on the use of the related assets (Note 11).

In 2016, the reclassifications of investment properties with net book value of Rp7,433,820 (2015: Rp4,152,049) from inventories - houses, respectively, was due to the change in management's intention on the use of the related assets (Note 7).

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

12. INVESTMENT PROPERTIES (continued)

In 2016, the reclassifications of investment properties with net book value of Rp574,788 (2015: Rp22,960,837) to other inventories and shops, respectively, was due to the change in management's intention on the use of the related assets (Note 7).

In 2016, the reclassifications of investment properties with net book value of Rp570,823 (2015: RpNil) to undevelop land, respectively, was due to the change in management's intention on the use of the related assets (Note 7).

In 2016, the reclassifications of investment properties with net book value amounting to Rp49,121,751 (2015: Rp12,025,906), respectively, to fixed assets was due to the change in management's intention on the use of the related assets (Note 11).

In 2016, the reclassifications of investment properties with net book value amounting to Rp2,006,210, to fixed assets was due to the early adoption of ISAK No. 31 starting on January 1, 2016 (Note 11).

In 2016, the reclassifications of investment properties – buildings and infrastructures with net book value amounting to Rp2,749,739, from investment properties – furniture and office equipment was due to the early adoption of ISAK No. 31 starting on January 1, 2016.

The details of construction in progress as of December 31, 2016 and 2015 are as follows:

	December 31, 2016		December 31, 2015	
Project	Amount	Percentage of completion (%)	Amount	Percentage of completion (%)
Movenpick Resort & Spa, Jimbaran, Bali	22,148,135	92.00	295,972,832	65.63
Wedding Hall	6,216,861	63.00	-	-
Energy House II	-	-	11,428,642	95.00
Others	24,552,065	-	29,248,071	-
Total construction in progress	**52,917,061**		**336,649,545**	

Below are the estimated completion dates of the projects under construction in progress as of December 31, 2016:

	Estimated Completion Dates
Wedding Hall	July 2017
Movenpick Resort & Spa, Jimbaran, Bali	August 2017

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 December 31, 2016, borrowing cost capitalized to investment properties amounted to Rp18,098,384 (2015: Rp18,030,826).

As of December 31, 2016, investment properties, except land, with net book value amounting to Rp3,246,282,700 (2015: Rp3,197,105,532) 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 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 and PT Asuransi Astra Buana, all third parties, with sum insured amounted US$498,982,358 and Rp745,811,956 (2015: US$652,104,041 and Rp567,699,220).

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

12. INVESTMENT PROPERTIES (continued)

As of December 31, 2016, the Group also covered its investment properties by insurance against terrorism and sabotage for US$280,368,997 and Rp796,100,000 (2015: US$152,906,000 and Rp406,100,000). In addition, the Group also obtained insurance against business interruption amounting to US$35,100,000 and Rp1,264,850,000 (2015: Rp77,100,000 and Rp841,791,000). In 2016, the Group's management is of the opinion that the above coverages are adequate to cover possible losses arising from such risks.

As of December 31, 2016, investment properties with net book value of Rp2,478,685,130 (2015: Rp2,533,676,160) are pledged as collateral for the loans from banks and financing institutions, bonds payable and sukuk ijarah (Notes 14 and 15).

The fair value of the investment properties as of December 31, 2016 and 2015 amounted to Rp16,569,221,125, which was determined by independent appraisers KJPP Hendra Gunawan and Partners in its report dated May 23, 2014.

Rental income from investment properties recognized in the consolidated statement of comprehensive income as of December 31, 2016 amounted to Rp1,348,029,334 (2015: Rp1,241,908,146) (Note 28).

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 December 31, 2016.

Starting from January 1, 2015, the Company implemented change in assessment of building's estimated useful life (Note 2k). The impact of this adjustment is increase (decrease) of profit before final tax expense and income tax, as follow:

Period	Total
Year ended December 31, 2015	24,982,098
Each year, for 5 years, from Jan 1, 2016 to Dec 31, 2020	126,343,798
Each year from Jan 1, 2021	(151,325,896)

13. OTHER FINANCIAL ASSETS

This account consists of:

	December 31,	
	2016	**2015**
Other current financial asset:		
Security deposit	106,644	103,829
Other non-current financial assets:		
Restricted time deposits		
PT Bank OCBC NISP Tbk	52,729,870	8,189,847
PT Bank Internasional Indonesia Tbk	20,361,940	10,682,853
PT Bank Permata Tbk	15,925,300	440,560
PT Bank CIMB Niaga Tbk	10,248,533	3,503,090
PT Bank Central Asia Tbk	9,421,015	10,156,596
PT Bank Danamon Indonesia Tbk	7,985,366	4,785,793
PT Bank Mandiri (Persero) Tbk	6,249,435	5,772,028
PT Bank UOB Indonesia Tbk	1,109,820	487,765
PT Bank Rakyat Indonesia (Persero) Tbk	927,528	2,576,067
PT Bank Pan Indonesia Tbk	674,000	977,722
Restricted cash in banks		

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

13. OTHER FINANCIAL ASSETS (continued)

This account consists of: (continued)

	December 31,	
	2016	2015
Other non-current financial assets: (continued)		
Restricted time deposits (continued)		
PT Bank Central Asia Tbk	92,412,966	36,841,754
PT Bank UOB Indonesia Tbk	6,500,594	8,954,284
PT Bank Permata Tbk	417,305	387,512
PT Bank Mandiri (Persero) Tbk	30,135	27,537
Investment - available for sale	212,500	3,698,761
Security deposit	1,569,180	1,523,417
Total other non-current financial assets	226,775,487	99,005,586
Total other financial assets	**226,882,131**	**99,109,415**

The restricted time deposit in PT Bank Central Asia Tbk (BCA) and PT Bank Mandiri (Persero) Tbk (Mandiri) are used as collateral for loans and the interest payments on the loans obtained by the Company, LTMD, MKOJ, and SMHO from these two banks (Note 14).

As of December 31, 2016 and 2015, the restricted time deposits in PT Bank OCBC NISP Tbk (OCBC), PT Bank Internasional Indonesia Tbk (BII), PT Bank Permata Tbk (Permata) , PT Bank CIMB Niaga Tbk (CIMB), PT Bank Central Asia Tbk (BCA), PT Bank Danamon Indonesia Tbk (Danamon), PT Bank Mandiri (Persero) Tbk (Mandiri), PT Bank UOB Indonesia Tbk (UOB), PT Bank Rakyat Indonesia Tbk (BRI), and PT Bank Pan Indonesia Tbk (Panin) are used as collateral for the corporate guarantees provided by the Company and SPCK to those banks on the housing loans obtained by the customers of the Company and KSO Summarecon Serpong.

For the year ended December 31, 2016, the restricted time deposits earned interest at annual interest rate of 5.27% - 5.92% (2015: 4.25% - 9.00%).

OCBC, BII, Permata, CIMB, BCA, Danamon, Mandiri, UOB, BRI, and Panin agreed to grant housing and apartment loans to the customers of the Company and KSO Summarecon Serpong. The Company and SPCK (on behalf of KSO Summarecon Serpong) provide corporate guarantees on their customers' loans from these banks until the Company and KSO Summarecon Serpong have submitted the buyers' land and building certificates to these banks.

The restricted cash in banks - BCA and Mandiri represents escrow accounts, which are used as collateral for the loans obtained from these two banks (Note 14). The restricted cash in banks - UOB and Permata represents escrow accounts, which are used as collateral relating to housing and apartment loans to the customers of the Company.

All restricted cash in banks and time deposits are placed in third-party banks.

Investments - available for sale consist of the following investments of the Company in other entities with ownership interests below 20%, as follows:

Entities	Percentage of ownership (%)	Carrying value as of December 31, 2016	2015
PT Graha REI Property	2.89	100,000	100,000
PT Daksawira Perdana	6.25	62,500	62,500
PT Jakartabaru Cosmopolitan	1.00	50,000	3,536,261
Total investment in other entities		**212,500**	**3,698,761**

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

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

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

	December 31,	
	2016	**2015**
Rupiah		
PT Bank Sumitomo Mitsui Indonesia	250,000,000	
PT Bank Mandiri (Persero) Tbk	200,000,000	200,000,000
PT Bank Resona Perdania	185,576,000	191,000,000
PT Bank OCBC NISP Tbk	180,000,000	100,000,000
PT Bank Mayora Tbk	100,000,000	150,000,000
PT Bank Central Asia Tbk	80,838,667	118,138,583
PT Bank Bumi Arta Tbk	4,076,065	8,029,888
United States dollar		
PT Bank Resona Perdania (US$3,000,000 in 2016 and 2015) (Note 33)	40,308,000	41,385,000
Total	**1,040,798,732**	**808,553,471**

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

	December 31,	
	2016	**2015**
Rupiah		
PT Bank Central Asia Tbk	2,201,290,576	1,406,353,133
PT Bank Mandiri (Persero) Tbk	1,570,363,000	1,376,500,000
PT Bank Bumi Arta Tbk	33,257,435	37,306,937
PT BCA Finance	5,966,424	9,472,963
United States dollar		
PT Bank Central Asia Tbk (US$7,644,307 in 2016 and US$6,664,373 in 2015) (Note 33)	102,708,909	91,935,021
Total loans	3,913,586,344	2,921,568,054
Less of unamortized debt commission fees	(9,704,951)	(8,674,359)
Net	3,903,881,393	2,912,893,695
Less of current maturities	(361,511,052)	(174,880,393)
Long-term portion	**3,542,370,341**	**2,738,013,302**

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

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

As of December 31, 2016 and 2015, the details of future installments of the long-term loans from banks and financing institutions are as follows:

	December 31,	
Year Due	**2016**	**2015**
2016	-	174,880,393
2017	361,511,052	375,302,610
2018	603,842,090	464,771,476
2019	870,462,122	606,711,875
2020	1,187,421,878	676,164,477
2021	635,399,429	493,252,153
2022	172,964,086	62,908,246
2023	72,280,736	58,902,465
Total installments	**3,903,881,393**	**2,912,893,695**

PT Bank Sumitomo Mitsui Indonesia (Sumitomo)

The Company obtained Credit Revolving facility from Sumitomo with a maximum amount of Rp250,000,000, with credit period for a year starting from August 12, 2016 until August 31, 2017 and bore interest at annual rate of 8.4%. The outstanding loan balance as of December 31, 2016 amounting to Rp250,000,000 (2015: RpNil). In 2016, the Company has not made any principal payment.

Under the loan agreements of the Company with Sumitomo above, the Company generally must comply with several covenants, including the following:

Maintain certain financial ratios:
(1) EBITDA to interest expense ratio of not less than 1.5:1
(2) Debt to equity ratio of not more than 3:1
(3) Maintain positive equity and profit

PT Bank Mandiri (Persero) Tbk (Mandiri)

The Company obtained several facilities from Mandiri as follows:

- Working capital credit facility with a maximum amount of Rp200,000,000, obtained on July 18, 2014. The loan is used to support the Company operational requirements in relation to the development of the residential and commercial area of Summarecon Bekasi, which is collateralized by MKOJ's investment property (Note 12) and is due on June 21, 2017. For the year ended on December 31, 2016, this loan bore interest at the annual rate of 9.85% (2015: 10%). The outstanding loan balance as of December 31, 2016 is Rp200,000,000 (2015: Rp200,000,000). In 2016, the Company has made principal payment amounted to Rp200,000,000. (2015: Rp107,000,000).

- Special Purpose Credit Facility (PTK I) with a maximum amount of Rp200,000,000, obtained in June 2010. The loan will be paid in quarterly installments starting from September 23, 2012 until December 23, 2015. This loan is collateralized by undeveloped land owned by the Company and MKOJ's investment property (Notes 9 and 12). For the year ended December 31, 2015, the loan bore interest at the annual rate of 10.50%. The outstanding loan balance as of December 31, 2015, has been fully paid. In 2015, the Company has made principal payments totaling Rp90,000,000

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Mandiri (Persero) Tbk (Mandiri) (continued)

The Company obtained several facilities from Mandiri as follows: (continued)

- Special Purpose Credit Facility (PTK II) with a maximum amount of Rp600,000,000, obtained in 2013, and will be paid in quarterly installments starting from December 2015 to March 2020. This loan is collateralized by undeveloped land owned by JYBA and investment properties owned by LTMD (Notes 9 and 12). Both guarantees are cross collateral and cross default with other credit facilities. For the year ended December 31, 2016, the loan bore interest at the annual rate ranging from 9% up to 10.25% (2015: 9%). The outstanding loan balance as of December 31, 2016 amounted to Rp542,500,000 (2015: Rp590,000,000). In 2016, the Company has made principal payments totaling Rp47,500,000 (2015: Rp10,000,000).

- Special Purpose Credit Facility (PTK III), with a maximum amount of Rp750,000,000, obtained in 2015, is used for capital expenditures financing in Summarecon Bekasi area. The loan will be paid in quarterly installments starting from April 2018 to April 2021 and bear interest at the annual rate ranging from 9.85% up to 10.25%. The loan is collateralized by MKOJ's investment properties (Note 12). The guarantees are cross collateral and cross default with other credit facilities. The outstanding loan balance as of December 31, 2016 amounted to Rp601,863,000 (2015: Rp306,500,000). In 2016 and 2015, the Company has not made any principal payment.

Under the loan agreements with Mandiri above, the Company generally must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   (1) EBITDA to interest expense ratio of not less than 1.5:1;
   (2) Interest-bearing debt to equity ratio of not more than 3:1.

b. Must obtain written notice from Mandiri prior to performing the following activities, among others:
   (1) Obtain from or provide loans to other parties, except under normal business transactions and within the financial ratio requirements above;
   (2) Enter into merger or acquisition transactions;
   (3) Change the shareholders' composition, except where the Company is still the majority owner and the ultimate shareholder;
   (4) Sell or transfer in any form or dispose partially or entirely the Company's assets that can affect the Company's obligation to the bank;
   (5) Encourage other parties to propose to the court to declare bankruptcy or ask for postponement in obligation payment.

MKOJ obtained the following credit facility from Mandiri as follows:

- In 2012, MKOJ obtained an investment credit facility from Mandiri with a maximum amount of Rp530,000,000 that has been fully drawn in 2013 and will be paid in quarterly installments starting on the second quarter of 2014 up to the second quarter of 2020. The loan is collateralized by MKOJ's investment properties (Note 12), escrow accounts (Note 13) and corporate guarantees from MKOJ's shareholders. In 2016 and 2015, the loan bore interest at annual rate of 10.00%. As of December 31, 2016, the outstanding loan balance amounted to Rp426,000,000 (2015: Rp480,000,000). In 2016, the MKOJ has made principal payments totaling Rp54,000,000 (2015: Rp32,000,000).

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Mandiri (Persero) Tbk (Mandiri) (continued)

Under the loan agreements with Mandiri above, MKOJ must comply with several covenants, as follows:

a. Maintain EBITDA to interest expense ratio of not less than 1.5:1, starting from December 31, 2018, as stated in the latest addendum on November 24, 2016.

b. Obtain written approval from Mandiri prior to performing the following activities, among others:
   (1) Make the settlement on the credit facility during the project construction;
   (2) Change the management composition, except new members of management coming within the Group;
   (3) Change the shareholders' composition, except where the Company is still the majority owner and the ultimate shareholder;
   (4) Use the credit facility outside the intended use as stated in the credit agreement;
   (5) Obtain other facility or loan from other financial institution or third party, except in the course of business transaction and still within the financial ratio requirement above;
   (6) Provide loans to other parties, that are not related to MKOJ's business transactions;
   (7) Act as guarantor or collateralize other parties' obligations by an amount greater than 50% of the net book value of MKOJ's assets;
   (8) Transfer or allow other parties to take over the collateral;
   (9) Obtain new investment or acquire assets outside of MKOJ's business transactions;
   (10) Obtain direct investment in an entity or enter into merger and acquisition and provide loans to affiliates;
   (11) Decrease its authorized capital stock or paid-in capital;
   (12) Pay dividends, except if the dividends distribution is within the financial ratio requirement above;
   (13) Make the settlement on subordinated loan (if any).

PT Bank Resona Perdania (Resona)

SPCK obtained several credit facilities from Resona as follows:

- Working capital credit facility with a maximum amount of Rp30,000,000, obtained in August 2010 with credit period of one year, which has been fully drawn in 2013. Furthermore, based on the amendment to the credit agreement, this facility has been extended to August 19, 2017. The outstanding loan balance as of December 31, 2016 is Rp29,000,000 (2015: Rp29,000,000). In 2016, SPCK has not made any principal payments (2015 : RpNil).

- Investment credit facility with a maximum amount of Rp58,000,000 which has been decreased to Rp43,504,000 in 2012 and a credit period for five years starting from June 4, 2010 until August 19, 2015. Furthermore, based on the amendment to the credit agreement dated August 29, 2014, this facility has been changed to working capital credit with a maximum amount of Rp14,512,000 and is due on August 19, 2015. In December 2015, SPCK has paid all outstanding loan balance. In 2015, SPCK has made principal payments totaling Rp8,472,000

The above loans are collateralized by letter of undertaking. In 2016, the loans bore interest at annual rates ranging from 8.66% to 10.51% (2015: ranging from 9.20% to 11.64%).

Based on the amendment to the credit agreement dated August 29, 2014, SPCK must comply with several financial covenants as follows:
(1) Current ratio of not less than 100%;
(2) Gearing ratio of not more than 7.1.

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Resona Perdania (Resona) (continued)

Prior to SPCK paying off the loans, SPCK is not allowed to conduct the following activities, without prior consent of Resona:

(1) Obtain new loans/credits from other parties and/or act as guarantor/pledgor in any form and with any name and/or pledge SPCK's assets to another party, except in the ordinary course of its business;
(2) Provide loans to other parties, including but not limited to affiliates, except in the ordinary course of business;
(3) Enter into consolidation, merger, acquisition, capital investment (except with subsidiaries or affiliates in the ordinary course of business transactions), liquidation or file for bankruptcy;
(4) Change the entity's legal status;
(5) Enter into transactions with other parties, including but not limited to affiliates, outside the normal course of business.

The Company obtained revolving credit facility from Resona with a maximum amount of US$3,000,000. The loan was due on December 17, 2014 and was collateralized by investment properties (Note 12). Furthermore, based on the amendment to the credit agreement dated November 11, 2014, this facility was increased from US$3,000,000 to US$15,000,000, whereas the additional portion of loan amounted to US$12,000,000 is withdrawn in form of Rupiah or equivalent to Rp162,000,000 and extended to December 17, 2017. The outstanding loan balance as of December 31, 2016 was US$3,000,000 or equivalent to Rp40,308,000 and Rp156,576,000 (2015: US$3,000,000 or equivalent to Rp41,385,000 and Rp162,000,000). The loan bore interest at the annual rate of 2.25% above SIBOR and changed to 2.25% above COLF starting from October 2008.

Under the loan agreements with Resona, the Company must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   (1) EBITDA to interest expense ratio of not less than 1.5:1;
   (2) Debt to equity ratio of not more than 3:1;
   (3) Maintain positive equity and profit.

b. The Company must obtain written approval from Resona prior to performing the following activities:
   (1) Obtain new loans/credits from other parties and/or except from other banks and/or the Company's shareholders;
   (2) 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;
   (3) Enter into consolidation, merger, acquisition, capital investment and liquidation or file for bankruptcy to commercial court;
   (4) Change the entity's legal status;
   (5) Enter into transactions with other parties, including but not limited to affiliates or company's shareholders, outside the normal course of business.

PT Bank OCBC NISP Tbk (OCBC)

The Company obtained the credit facilities as follows:

- Demand loan credit facility with a maximum amount of Rp100,000,000 which is subsequently increased to Rp300,000,000
- Foreign exchange transaction facility with a maximum amount of US$5,000,000.

The credit facilities will due on May 30, 2016 and has been extended until May 30, 2017. The loan is collateralized by land and building owned by the Company (Notes 11 and 12). The loan bore interests at annual rate of 10.90% in 2016 (2015 : 11.50%). The outstanding loan balance as of December 31, 2016 is Rp180,000,000 (2015: Rp100,000,000). In 2016, the Company has made principal payment amounting to Rp241,000,000 (2015: Rp550,000,000).

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank OCBC NISP Tbk (OCBC) (continued)

The Company must obtain written approval from OCBC prior to performing the following activities, among others:
(1) Sell or transfer entirely or partially the Company's assets to other parties the amount of which if aggregated with other transfer for each transaction is greater than 20% of the Company's total equity;
(2) Change the business activities and scale of business significantly;
(3) Provide loans to other parties, except for loans granted prior to this credit agreement and loans provided in the ordinary course of business;
(4) Act as guarantor or collateralize other parties obligation;
(5) Provide collateral to other parties, except the assets that have been pledged to other banks prior to this credit agreement, assets financed by other banks in relation to the project financing and obligation arising from the ordinary course of business. Debt to equity ratio of not more than 10:1;
(6) Maintain positive equity and profit.

PT Bank Mayora Tbk (Mayora)

The Company obtained installment loan facility from Mayora with maximum amount of Rp150,000,000 with credit period of 1 year which will due on October 19, 2017 and bore interest at annual rate of 10.5% (2015: 11.5%). The outstanding loan balance as of December 31, 2016 is Rp100,000,000 (2015: Rp150,000,000). In 2016, the Company has made principal payments amounted to Rp50,000,000 (2015: RpNil).

The Company must obtain written approval from Mayora prior to performing the following activities, among others:
(1) Obtain new loans/credits from other parties and/or act as guarantor/pledgor in any form and with any name and/or pledge the Company's assets to another party, except in the ordinary course of its business with the amount of not more than 20% of Company's total equity;
(2) Sell or transfer in any form or dispose partially or entirely the Company's assets to the amount of not more than 20% of Company's total equity;
(3) If in the foreseeable future the Company has a plan to conduct repayment of due from shareholders in any form, the Company must obtain approval from the Bank when the Debt to Equity Ratio of more than 3:1;
(4) Pay dividends in any form without written approval from Mayora.

PT Bank Central Asia Tbk (BCA)

The Company obtained several facilities from BCA as follows:

- Overdraft facility with a maximum amount of Rp80,000,000 with credit period of one year. Furthermore, this facility has been extended up to October 23, 2017. This facility is collateralized by trade receivables, investment properties, escrow accounts and restricted time deposits (Notes 5, 12 and 13). In 2016, the loan bore interest at annual rate ranging from 9.25% to 9.75% (2015: 10.25%). The loan outstanding balance as of December 31, 2016 is Rp54,691,588 (2015: Rp38,889,093). In 2016 the Company has made principal payments totaling Rp38,889,093 (2015: Rp42,065,333).

- Investment credit facility "Installment loan II" with a maximum amount of Rp150,000,000, which has been fully drawn in 2008 and has been paid in quarterly installments starting from 2008 until 2015. This facility is collateralized by trade receivables, investment property, escrow accounts and restricted time deposits (Notes 5, 12, and 13). The loan bore interest at annual rate of 10.50% in 2015. The loan outstanding balance as of December 31, 2015 is RpNil. In 2015 the Company made principal payments totaling Rp30,500,000.

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Central Asia Tbk (BCA) (continued)

The Company obtained several facilities from BCA as follows: (continued)

- The Company also obtained investment credit facility with a maximum amount of Rp550,000,000 with credit period of 6 years until February 28, 2022 and bore interest at annual rate ranging from 9.25% up to 9.75% in 2016 (2015: 10.25%). The loan is collateralized with The Kensington Apartment's building and land (Note 7). The loan outstanding balance as of December 31, 2016 is Rp355,648,000 (2015: RpNil). In 2016, the Company has not made any principal payment.

Under the loan agreements of the Company with BCA above, the Company generally must comply with several covenants, including the following:

a. Maintain certain financial ratios as follows:
   (1) Interest-bearing debt to equity ratio of not more than 3:1;
   (2) EBITDA to interest expense ratio of not less than 1.5:1.

b. The Company must obtain written approval from BCA prior to act as guarantor/pledgor in any form and with any name and/or pledge the Companies' assets to another party, with the specific requirement for the Company act as guarantor/pledgor for a total amount greater than Rp500,000,000 and with any name and/or pledge the Companies' assets to another party for a total amount greater than 10% of the Companies' total assets (excluding collateral for issued sustainable bonds and sukuk ijarah with total amount of Rp2,000,000,000).

SPCK obtained the following credit facility from BCA:

- Overdraft facility with a maximum amount of Rp80,000,000 which will due on June 21, 2017. The loan is collateralized by undeveloped land (Note 9). The outstanding loan balance as of December 31, 2016 is Rp26,147,079 (2015: Rp79,249,490). In 2016, SPCK has made principal payments totaling Rp53,725,124 (2015: Rp128,121,707).

- Investment Credit Facility 1 with a maximum amount of Rp100,000,000, obtained in January 2016, which is used to finance The Spring Club and will be due on September 13, 2021 (This facility is rolled from combined investment credit facility with maximum amount of Rp750,000,000). The loan will be paid in quarterly installments starting from June 13, 2016 up to September 13, 2021 and bore annual interest rate at 10.25%. The loan is collaterized by undeveloped land owned by SPCK (Note 9). The loan outstanding balance as of December 31, 2016 is Rp95,000,000 (2015: Rp100,000,000). In 2016, SPCK has made principal payment totaling Rp5,000,000.

- Investment Credit Facility 2 with a maximum amount of Rp200,000,000, obtained in April 2015. The loan will be paid in quarterly installments starting from September 2017 up to June 2021 and is collateralized by undeveloped land which belongs to JYBA, JBC and SPCK (Note 9). The outstanding loan balance as of December 31, 2016 is Rp183,100,000 (2015: Rp173,900,000). In 2016, SPCK has not made any principal payments.

- Investment Credit Facility 3 with a maximum amount of Rp400,000,000, obtained in January 2016. The loan will be paid in quarterly installments starting in June 2018 up to March 2022. The loan is intended for working capital and to finance apartment, house, and infrastructure construction in Summarecon Serpong. The loan is collaterized by undeveloped land (Note 9) and bore annual interest rate at 10.25%. The loan outstanding balance as of December 31, 2016 is Rp305,850,000 (2015: RpNil). In 2016, SPCK has not made any principal payments.

- Time loan revolving facility with a maximum amount of Rp100,000,000, obtained in January 2016 and is used for working capital in SPCK. The loan will be due on June 21, 2017, collateralized by undeveloped land (Note 9), and bore annual interest rate at 10.25%. The loan outstanding balance as of December 31, 2016 is RpNil.

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Central Asia Tbk (BCA) (continued)

Under the loan agreements between SPCK with BCA above, SPCK must comply with several covenants, as follows:

(1) Interest-bearing debt to equity ratio of not more than 2:1;
(2) EBITDA to interest expense ratio of not less than 1.5:1 (until 2016), not less than 1.75:1 (for 2017 and 2018), not less than 2:1 (for 2019 and so on).

LTMD obtained the following credit facility from BCA:

- Investment credit facility II with maximum amount of Rp350,000,000 which had been fully drawn in 2011 and 2012 and payable quarterly from June 2013 to March 2021. The loan is used for construction of Summarecon Mal Serpong phase II, collateralized by trade receivables, investment property and escrow accounts (Notes 5, 12 and 13) and bore interest at the annual rate ranging from 9.25% up to 9.75% in 2016 (2015: 10.25%). The outstanding loan balance as of December 31, 2016 is Rp253,750,000 (2015: Rp287,875,000). In 2016, LTMD has made principal payments totaling Rp34,125,000 (2015: Rp28,875,000).

Under the loan agreements with BCA above, LTMD must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   (1) Interest-bearing debt to equity ratio of not more than 2:1;
   (2) EBITDA to interest expense ratio of not less than 1.5:1, starting from 2013.
b. LTMD must obtain written approval from BCA prior to performing the following activities, among others:
   (1) Obtain new loans/credits from other parties and/or act as guarantor/pledgor in any form and with any name and/or pledge LTMD's assets to another party;
   (2) File for bankruptcy or suspension of obligation payment to authorized institution (Court);
   (3) Invest and participate in or open new businesses, outside of its business transactions;
   (4) Sell or dispose the major assets of LTMD's business operations, except in the ordinary course of business;
   (5) Enter into consolidation, merger, acquisition, liquidation;
   (6) Amend its legal status, articles of association, the composition of the Boards of Directors and Commissioners and ultimate shareholder.

SMHO obtained the following credit facility from BCA:

- Investment credit facility from BCA with a maximum amount of Rp130,000,000, obtained in May 2011. The loan is payable in quarterly installments starting from 2012 up to September 2015 and is collateralized by the Company's investment property (Note 12) and letter of undertaking and SMHO's cash flows. In December 2015, SMHO has paid all outstanding loan balance amounting to Rp11,400,000.

SMHO must obtain written approval from BCA prior to performing the following activities, among others:

(1) Change the stockholders' composition;
(2) Obtain other facility or loan from other financial institution.

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Central Asia Tbk (BCA) (continued)

PMJA and HOPJ obtained several facilities from BCA, as follows:

- Investment credit facility (Rupiah) with a maximum amount of Rp300,000,000, wherein the portions of PMJA and HOPJ amounted to Rp100,000,000 and Rp200,000,000, respectively, which have been partially drawn in 2013 and are payable in quarterly installments starting on the fourth quarter of 2016 up to the third quarter of 2023. Furthermore, based on BCA letter dated April 4, 2016, BCA agreed on changes in the allocation portion of the loan, wherein the portion of PMJA and HOPJ changed into Rp220,000,000 and Rp307,000,000, respectively. The outstanding loan balance as of December 31, 2016 amounted to Rp379,192,576 (2015: Rp198,983,276). No principal payment was made by PMJA and HOPJ in 2016 (2015:RpNil).

- Investment credit facility (US$) with a maximum amount of US$30,000,000, wherein the portions of PMJA and HOPJ amounted to US$10,000,000 and US$20,000,000, respectively, which have been partially drawn in 2013 and are payable in quarterly installments starting on the fourth quarter of 2016 up to the third quarter of 2023. Furthermore, based on BCA letter dated April 4, 2016, BCA agreed on changes in the allocation portion of the loan, wherein the portion of PMJA and HOPJ changed into US$5,000,000 and US$4,800,000, respectively. The outstanding loan balance as of December 31, 2016 amounted to US$7,644,307 or equivalent to Rp102,708,909 (2015: US$6,664,373 or equivalent to Rp91,935,021).

The loan is used for the construction of Movenpick Resort & Spa, Jimbaran, Bali and collateralized by investment property and fixed assets owned by PMJA (Notes 11 and 12) and all shares of PMJA and HOPJ. As of December 31, 2016, the loan bore interest at annual rates ranging from 9.25% to 9.75% (2015: ranging from 10.25% to 10.50%) for the Investment Credit Facility (Rupiah) and at the annual rate of 5.50% (2015: 5.50%) for the Investment Credit (US$).

Under the loan agreements with BCA above, PMJA and HOPJ must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   (1) EBITDA to interest expense ratio of not less than 1.25:1, starting from 2016 or one year after the hotel has commenced its commercial operations (whichever date comes later);
   (2) EBITDA to interest expense ratio of not less than 1.5:1, starting from 2017 or two years after the hotel has commenced its commercial operations (whichever date comes later) and the following years.

b. PMJA and HOPJ must obtain written approval from BCA prior to performing the following activities, among others:
   (1) Obtain new loans/credits from other parties, which bear interest, except through non-bank financial institution;
   (2) Act as guarantor/pledgor in any form and with any name and/or pledge their assets to another party;
   (3) Provide loans to other parties, including but not limited to affiliates, except in the ordinary course of business;
   (4) Enter into transactions with other parties, including but not limited to affiliates, outside the normal course of business;
   (5) Invest and participate in or open new businesses, outside their business operations;
   (6) Sell or dispose their major assets used in their business, except under normal business transactions;
   (7) Enter into consolidation, merger, acquisition, liquidation;
   (8) Amend their legal status and the composition of the ultimate shareholder;
   (9) Amend their articles of association (name, location, purpose, objectives, activities and periods) or decrease their authorized capital stock or issued and fully paid capital;
   (10) Pay dividends, except if the dividend distribution is within the financial ratio limitation above.

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Central Asia Tbk (BCA) (continued)

The Company and certain subsidiaries (the “Companies”) obtained several facilities from BCA with a total maximum amount of Rp650,000,000 (previously Rp750,000,000), as follows:

- **Company**: Investment Credit Facility 1 with a maximum amount of Rp75,000,000, used for construction project of Hotel Pop! Sentra Kelapa Gading;
- **MKOJ**: Investment Credit Facility 2 with a maximum amount of Rp165,000,000, used for construction project of Summarecon Hotel Bekasi;
- **DNMP**: Investment Credit Facility 3 with a maximum amount of Rp70,000,000, used for construction project of Plaza Summarecon Bekasi;
- **SMHO**: Investment Credit Facility 4 with a maximum amount of Rp65,000,000, used for purchase of operational equipment of Hotel Pop! Kelapa Gading and Hotel Harris Summarecon Bekasi;
- **LTMD**: Investment Credit Facility 5 with a maximum amount of Rp225,000,000, used for construction project of Summarecon Digital Center;
- **KRIP**: Investment Credit Facility 7 with a maximum amount of Rp50,000,000, used for construction project of Scientia Business Park.

Credit facility installments will be paid quarterly starting from December 13, 2016 up to September 13, 2021 and the loans bore interest at the annual rate ranging from 9.25% to 9.75% (2015: ranging from 10.25% to 10.50%). The loans from BCA are collateralized by lease receivables, restricted time deposits and investment properties owned by the Companies (Notes 5, 12 and 13). As of December 31, 2016, total balance of the loans payable from the facilities is Rp628,750,000 (2015: Rp645,594,857). In 2016, the Company and certain subsidiaries made principal payments totaling Rp21,250,000 (2015: RpNil).

Under the loan agreements between the Companies and BCA above, the Companies must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   (1) EBITDA to interest expense ratio of not less than 1.5:1 (for the Company and LTMD);
   (2) Debt to equity ratio of not more than 2:1 (for LTMD).

b. The Companies must obtain written notice from BCA prior to performing the following activities, among others:
   1. Act as guarantor/pledgor in any form and with any name and/or pledge the Companies’ assets to another party, with the specific requirement for the Company to act as guarantor/pledgor for a total amount greater than Rp500,000,000 (five hundred billion rupiah)and with any name and/or pledge the Companies’ assets to another party for a total amount greater than 10% of the Companies’ total assets (excluding collateral for issued sustainable bonds and sukuk ijarah with total amount of Rp2,000,000,000);
   2. Provide loans to other parties, including but not limited to their affiliates, except in the course of their business operations;
   3. Enter into transactions with other parties, including but not limited to their affiliates, outside the normal course of their business;
   4. Sell or dispose the major assets of their business operations, except under normal business transactions;
   5. Decrease their respective authorized capital stock or paid-in capital;
   6. Enter into merger, acquisition, liquidation;
   7. Amend their legal status and the companies’ share ownership, with the specific requirement for the Company, wherein the amendment can cause the total ownership of PT Semarop Agung and PT Sinarmegah Jaya Sentosa to become the minority;

14. SHORT-TERM BANK LOANS AND LONG-TERM DEBTS (continued)

PT Bank Central Asia Tbk (BCA) (continued)

Under the loan agreements between the Companies and BCA above, the Companies must comply with several covenants, as follows: (continued)

b. The Companies must provide written notice to BCA prior to performing the following activities, among others: (continued)

Limited to <u>MKOJ, LTMD, DNMP, SMHO, KRIP and SPCK (“certain Subsidiaries”):</u>

8. Invest, participate in or open new businesses outside of their business transactions;
9. Change in the articles of associations of certain subsidiaries, except for addition to capital stock.

As of December 31, 2016 and 2015, each of the debtors (the Company and certain Subsidiaries) is in compliance with all the debt covenants related to the above short-term bank loans and long-term debts.

PT Bank Bumi Arta Tbk (BBA)

BTKV obtained several credit facilities as follows:

- Overdraft facility with a maximum amount of Rp5,000,000. On June 21, 2012, BTKV obtained an additional overdraft facility amounting to Rp5,000,000, making the total facility amounted to Rp10,000,000. The overdraft facility has been extended to May 12, 2017. As of December 31, 2016, the outstanding loan balance from this credit facility amounted to Rp4,076,065 (2015: Rp8,029,888). In 2016, BTKV has made principal payments totaling Rp5,386,249 (2015: Rp6,431,084).
- Investment credit facility with a maximum amount of Rp42,000,000, which has been fully drawn as of December 31, 2012. The loan is payable in quarterly installments up to June 21, 2022. As of December 31, 2016, the outstanding loan balance from this credit facility amounted to Rp33,257,435 (2015: Rp37,306,937). In 2016, BTKV has made principal payments totaling Rp4,049,502 (2015: Rp3,579,532).

The above loans are collateralized by fixed assets (Note 11) and 5,000 shares of BTKV. For the year ended December 31, 2016, the loans bore interest at the annual rate of 11.75% (2015: 12.50%).

No covenant was required by BBA in relation to the credit facilities.

As of December 31, 2016 and 2015, each of the debtors (the Company and certain Subsidiaries) is in compliance with all the debt covenants related to the above short-term bank loans and long-term debts.

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 October 24, 2019 and are collateralized by the vehicles purchased (Note 11). The outstanding loans as of December 31, 2016 amounted to Rp5,966,424 (2015: Rp9,472,963).

In 2016, the Group has made principal payments totaling Rp7,692,415 (2015: Rp11,319,115).

In 2016, the loans bore interest at annual rates ranging from 4.49% to 15.62% (2015: ranging from 7.07% to 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)

15. BONDS PAYABLE AND SUKUK IJARAH

The details of bonds issued are as follows:

	December 31,	
	2016	**2015**
Face Value		
Obligasi Berkelanjutan I Tahap I	450,000,000	450,000,000
Obligasi Berkelanjutan I Tahap II	800,000,000	800,000,000
Obligasi Berkelanjutan I Tahap III	150,000,000	150,000,000
Obligasi Berkelanjutan II Tahap I	500,000,000	500,000,000
Sukuk Ijarah Berkelanjutan I Tahap I	150,000,000	150,000,000
Sukuk Ijarah Berkelanjutan I Tahap II	300,000,000	300,000,000
Sukuk Ijarah Berkelanjutan I Tahap III	150,000,000	150,000,000
Total face value	2,500,000,000	2,500,000,000
Less deferred issuance costs (net of current amortization of Rp5,588,609 in 2016 and Rp3,789,674 in 2015)	(18,038,457)	(23,627,066)
Net	2,481,961,543	2,476,372,934
Less current maturities	-	-
Long-term portion	**2,481,961,543**	**2,476,372,934**

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

	Year ended December 31,	
	2016	**2015**
Obligasi Berkelanjutan I Tahap I	7,336,106	7,336,106
Obligasi Berkelanjutan I Tahap II	6,160,646	6,160,646
Obligasi Berkelanjutan I Tahap III	1,124,325	1,124,325
Obligasi Berkelanjutan II Tahap I	8,919,096	8,919,096
Sukuk Ijarah Berkelanjutan I Tahap I	2,504,429	2,504,429
Sukuk Ijarah Berkelanjutan I Tahap II	2,325,993	2,325,993
Sukuk Ijarah Berkelanjutan I Tahap III	1,124,325	1,124,325
Total	29,494,920	29,494,920
Less accumulated amortization of deferred issuance costs (inclusive of current amortization of Rp5,588,609 in 2016 and Rp3,789,674 in 2015)	(11,456,463)	(5,867,854)
Net	**18,038,457**	**23,627,066**

15. BONDS PAYABLE AND SUKUK IJARAH (continued)

“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 will be paid quarterly, which started on March 11, 2014 and continue up to December 11, 2018. The OB I Tahap I is due on December 11, 2018.

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 12).

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 2016.

“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 will be paid quarterly, which started on January 10, 2015 and continue up to October 10, 2019. The OB I Tahap II is 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 12).

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 II in 2016.

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 will be paid quarterly, which started on July 22, 2015 and continues up to April 22, 2018. The OB I Tahap III is due on April 22, 2018.

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 9).

PT Pemerintah 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 2016.

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 will be paid quarterly, which started on March 16, 2016 and continue up to December 16, 2020. The OB II Tahap I is 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 12).

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 2016.

15. BONDS PAYABLE AND SUKUK IJARAH (continued)

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 years. Payment of the benefit installment of ijarah is made quarterly in arrears. The SIB I Tahap I is due on December 11, 2018.

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 12).

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 2016.

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 years which started on October 10, 2014 and continue up to October 10, 2019. Payments of the benefit installment of ijarah are made quarterly in arrears. The SIB I Tahap II is 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 12).

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 2016.

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 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 is due on April 22, 2018.

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 12).

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 2016.

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;
- 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.

15. BONDS PAYABLE AND SUKUK IJARAH (continued)

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

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

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 of the financial ratio requirements above.

b. The Company is not allowed to conduct the following activities without prior consent of the trustee:
   (i) Pay or make or distribute other payment in the company's book as long as the company defaults on its obligation to make payment to the bondholders under the terms of the trustee agreements and debt instruments, except for payments made for the Company's daily operational activities;
   (ii) Lend to any party, except:
      a. Existing loan before signing *Perjanjian Perwaliamanatan*;
      b. Loan transactions which is done based on business practices along with the Company's main business activities;
      c. New loan to employees, cooperative's employees, and/or the foundation for the Company's employee welfare programs as well as development of small enterprise and cooperatives in accordance with the government program;
   (iii) Undertake a merger, consolidation and amalgamation with other Company or party or allowing Subsidiaries to undertake merger, consolidation and amalgamation with other Company or other party,unless if it has the same business field and has no negative impact on the Company and/or Subsidiaries, and does not affect the Company's capability in paying the principal of and interest on the bonds;
   (iv) Transform key areas of the Company as defined in the Articles of Association;
   (v) Decrease the Company's authorized, issued and fully paid capital unless if the decrease is done based on the request/ order of Republic of Indonesia government and/or authorized party;
   (vi) Impose guarantee with second class mortgage and so on;
   (vii) Obtain delay of debt payment obligations of the commercial court within the jurisdiction of the company.

As of December 31, 2016 and 2015, the Company has complied with the covenants stated in the agreements on the bonds and sukuk ijarah.

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

16. TRADE PAYABLES TO THIRD PARTIES

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

	December 31,	
	2016	**2015**
Suppliers	50,720,497	50,580,874
Office construction contractors	2,839,573	5,319,982
House construction contractors	1,539,165	1,569,315
Infrastructure construction contractors	1,073,525	2,854,613
Apartments construction contractors	680,056	686,823
Others	761,559	1,994,908
Total trade payables to third parties	**57,614,375**	**63,006,515**

The details of trade payables to third parties based on their original currencies (Note 33) are as follows:

	December 31,	
	2016	**2015**
Rupiah	45,815,268	59,252,454
United States dollar (US$860,258 in 2016 and US$262,428 in 2015)	11,558,432	3,620,194
Singapore dollar (Sin$25,882)	240,675	-
European euro (Euro8,883)	-	133,867
Total trade payables to third parties	**57,614,375**	**63,006,515**

There are no Company's assets collateralized in relation to trade payables to third parties as of December 31, 2016.

17. OTHER PAYABLES

Other payables are liabilities to third parties and related parties and consist of:

	December 31,	
	2016	**2015**
Third parties		
Purchase of fixed asset and investment property	92,249,448	-
Deposits payable	77,871,237	58,910,587
Contractors	28,122,832	15,329,955
Revenue sharing	7,307,443	4,959,178
Deferred lease income	5,639,376	18,342,155
Dividend (Note 27)	1,918,467	2,253,152
Land and building tax right of buyers	1,147,809	3,679,878
Purchase of land	-	95,504,500

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

17. OTHER PAYABLES (continued)

Other payables are liabilities to third parties and related parties and consist of: (continued)

	December 31,	
	2016	2015
Third parties (continued)		
Loan to Emerald Sanctuary Pte., Ltd. (Notes 33 and 37c)	-	41,260,845
Others	21,391,919	38,793,317
Total other payables	**235,648,531**	**279,033,567**
Less current maturities	(231,571,989)	(264,562,084)
Long-term portion	**4,076,542**	**14,471,483**

18. ACCRUED EXPENSES

This account consists of accruals for:

	December 31,	
	2016	2015
Development of infrastructures, social and public facilities	1,354,282,652	1,559,492,188
Interest expense	54,175,121	23,924,722
Repairs and maintenance	29,167,880	25,287,328
Electricity, water and telephone	20,651,801	22,874,798
Promotion	9,860,879	11,415,019
Security	8,322,310	10,463,618
Parking	5,733,892	7,722,637
Professional fee expenses	5,724,192	2,818,872
Unbilled purchase of fixed assets and investment property	4,540,136	8,404,533
Others (each below Rp4,000,000)	22,830,622	24,902,788
Total accrued expenses	**1,515,289,485**	**1,697,306,503**

In 2016 and 2015, 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)

19. TAXATION

a. Prepaid taxes consists of:

	December 31, 2016	December 31, 2015
Income tax – Article 21	500,000	-
Final income tax	158,718,804	125,531,648
Value added tax	29,882,443	115,019,250
Claim for tax refund (Note 19e)	13,699,634	10,203,760
Total prepaid taxes	**202,800,881**	**250,754,658**

b. Taxes payable consists of:

	December 31, 2016	December 31, 2015
Income tax		
Article 21	3,076,789	2,388,847
Article 23	3,288,996	4,578,548
Article 25	10,504	9,471
Article 26	826,171	714,743
Article 29 (Note 19e)	1,083,261	443,956
Final income tax	32,470,766	26,856,949
Development tax	5,017,488	4,651,102
Total taxes payable	**45,773,975**	**39,643,616**

c. A reconciliation between profit before income tax, as shown in the consolidated statement of profit or loss and other comprehensive income, and estimated taxable income of the Company is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Profit before income tax per consolidated Statement of profit or loss and other comprehensive income	616,139,824	1,066,008,873
Profit before income tax of Subsidiaries	(789,560,908)	(346,217,619)
Reversal of consolidation elimination	478,539,566	150,244,295
Taxable income before income subjected to final tax	305,118,482	870,035,549
Income subject to final tax	(291,720,232)	(858,059,031)
Profit before income tax	13,398,250	11,976,518
Permanent differences		
Interest income	(36,385)	(35,777)

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

19. TAXATION (continued)

c. A reconciliation between profit before income tax, as shown in the consolidated statement of profit or loss and other comprehensive income, and estimated taxable income of the Company is as follows: (continued)

	Year ended December 31,	
	2016	**2015**
Temporary differences – Depreciation	569,674	454,700
Estimated taxable income of the Company	**13,931,539**	**12,395,441**

As of the date of completion of the consolidated financial statements, the Company has not submitted its 2016 corporate income tax return to the Tax Office. The Company's management declares that its 2016 corporate income tax will be reported based on the computation above.

The amount of estimated taxable income for the year ended December 31, 2015 conforms with the amount reported in the Company's 2015 annual income tax return submitted to the Tax Office.

d. Income tax expense - net consists of:

	Year ended December 31,	
	2016	**2015**
Current income tax expense		
Company		
Non-final	(3,482,885)	(3,098,860)
Subsidiaries		
Non-final	(753,544)	(182,524)
Total current income tax expense	(4,236,429)	(3,281,384)
Deferred income tax benefit (expense)		
Company		
Depreciation	(142,418)	(113,675)
Write-off of employee benefit	(1,002,666)	-
Sub-total	(1,145,084)	(113,675)
Subsidiaries		
Tax loss	(6,151,594)	1,435,198
Depreciation	(60,097)	30,927
Allowance of employee benefit	504,238	-
Sub-total	(5,707,453)	1,466,125
Deferred income tax benefit - net	(6,852,537)	1,352,450
Income tax expense - net	**(11,088,966)**	**(1,928,934)**
Final tax expense (Note 19g)	**(261,365,173)**	**(316,174,047)**

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

19. TAXATION (continued)

e. The computation of the Group's income tax payable and the breakdown of the estimated claims for income tax refund are as follows:

	December 31,	
	2016	**2015**
Current income tax expense		
Company	3,482,885	3,098,860
Subsidiaries	753,544	182,524
Total current income tax expense	4,236,429	3,281,384
Prepayments of income tax		
Company		
Article 22	476	591
Article 23	8,516	1,081
Article 25	3,004,871	2,653,232
Total prepayments of income tax	3,013,863	2,654,904
Subsidiaries		
Article 23	448	72,360
Article 25	138,857	110,164
Total prepayments of income tax	139,305	182,524
Estimated income tax payable		
Company	469,022	443,956
Subsidiaries	614,239	-
Total estimated income tax payable	**1,083,261**	**443,956**
Estimated claims for income tax refund:		
Current year - Subsidiaries	6,105,480	7,594,154
Previous year - Subsidiaries	7,594,154	2,609,606
Total estimated claims for income tax refund (presented as part of prepaid taxes) (Note 19a)	**13,699,634**	**10,203,760**

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

19. TAXATION (continued)

f. Deferred tax assets (liabilities) consists of:

	December 31, 2016	December 31, 2015
Company		
Employee benefits liability	1,002,666	1,002,666
Write-off of employee benefit liabilities	(1,002,666)	-
Difference in carrying amount of fixed assets between commercial and fiscal reporting	(2,291,052)	(2,148,634)
Deferred tax liability - net	(2,291,052)	(1,145,968)
Subsidiaries		
Deferred tax assets	10,218,110	15,929,958
Deferred tax liability	-	(4,395)
Subsidiaries - net	10,218,110	15,925,563
Consists of:		
Deferred tax assets - net	10,218,110	15,929,958
Deferred tax liabilities - net	(2,291,052)	(1,150,363)
Net	**7,927,058**	**14,779,595**

The management of the Group believes that the above deferred tax assets are fully recoverable through future taxable income.

g. The computation of final tax is as follows:

	Year ended December 31, 2016	Year ended December 31, 2015
Revenue subjected to final tax at applicable tax rates		
Company	1,572,334,775	2,996,177,870
Subsidiaries	3,431,161,532	2,263,139,688
Total	**5,003,496,307**	**5,259,317,558**
Current income tax expense		
Company	(98,555,017)	(179,610,207)
Subsidiaries	(162,810,156)	(136,563,840)
Current income tax expense – final (Note 19d)	**(261,365,173)**	**(316,174,047)**

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 subjected 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 to payment of income tax on income from transfer rights on land and/or building”. This regulation provides that, effective on 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 and buildings are subjected to final tax amounting to 2.5% of the value of the sale or transfer.

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

19. TAXATION (continued)

h. Others

On June 7, 2016, The company received the result of the rejection of reduction or elimination of administrative sanction on VAT billed letter for the tax period May – October 2010 dated May 19, 2015 tax period of October 2010 amounting to Rp14,791,529.

In 2016, some subsidiaries were participated in Tax Amnesty Program, whereas all of such entities already received a "Surat Keterangan Pengampunan Pajak" from the Ministry of Finance. Consequently, all of the claim for tax refund and accumulated tax loss carry-forward are written off.

In 2015, the Company received SKPKB for underpayment of value added tax payables and income tax payables for the fiscal year 2011 and 2012 amounting to Rp9,984,181. In July 2015, the Company paid the underpayment of taxes that stated in the SKPKB and charged to expense in the current year operations.

In 2015, the Company received SKPKB for underpayment of value added tax payables and income tax payables for the fiscal year 2010 amounting to Rp6,617,307. In September 2015, the Company paid the underpayment of taxes that stated in the SKPKB and charged to expense in the current year operations.

In 2015, the Company received SKPKB alleviation administration penalty for the fiscal year 2012, 2011, and 2010 amounting to Rp2,795,272 and charged to current year reduction of tax expense.

20. EMPLOYEE BENEFITS LIABILITIES

The Company and 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.

The Company registered its permanent employees to retirement funds which is organized by Dana Pensiun Lembaga Keuangan Central Asia Raya.

The amounts recognized as employee benefits liability in the consolidated statement of financial position and as employee benefits expense in the consolidated statement of profit or loss and other comprehensive income were determined by PT Dian Artha Tama, an independent actuary, in its reports dated as follows:

	Year Ended December 31,	
	2016	**2015**
PT Lestari Mahadibya (LTMD)	January 23, 2017	February 23, 2016
PT Makmur Orient Jaya (MKOJ)	January 23, 2017	February 23, 2016
PT Mahkota Permata Perdana (MKPP)	January 23, 2017	February 23, 2016
Company	January 23, 2017	March 16, 2016
PT Bhakti Karya Vita (BTKV)	February 13, 2017	March 7, 2016
PT Serpong Cipta Kreasi (SPCK)	February 16, 2017	March 17, 2016

The assumptions used are as follows:

Discount rate per annum	: 8.4% in 2016 and 9.1% in 2015
Annual salary increase	: 5-8% in 2016 and 8% in 2015
Mortality table	: Commissioners Standard Ordinary (*CSO*) - 1980
Retirement age	: 55 years

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

20. EMPLOYEE BENEFITS LIABILITIES (continued)

a. Short-term employee benefits liability

	December 31,	
	2016	**2015**
Salaries and other allowances	7,878,524	6,485,405
Post-employment benefits - current maturities (Note 20b)	11,246,884	-
Total liability for short-term employee benefits	**19,125,408**	**6,485,405**

b. Liability for long-term employee benefits

	December 31,	
	2016	**2015**
Post-employment benefits - long-term maturities	**124,861,493**	**119,190,420**

Movements in the long-term employee benefits liability are as follows:

	December 31,	
	2016	**2015**
Balance at beginning of year	119,190,420	141,511,860
Provision during the year	30,309,689	27,574,742
Payments during the year:		
Contribution	(27,166,530)	(21,940,422)
Benefits	(6,643,730)	(5,594,418)
Other comprehensive income	9,171,644	(22,361,342)
Total long-term employee benefits liability	124,861,493	119,190,420
Less current year portion (Note 20a)	(11,246,884)	-
Long-term portion of employee benefit	**113,614,609**	**119,190,420**

c. Employee benefits expense

	Year ended December 31,	
	2016	**2015**
Current service cost	17,771,225	14,317,240
Past service cost	1,692,136	1,793,105
Interest cost	13,243,687	12,802,070
Return on asset plan	(2,397,359)	(1,337,673)
Total employee benefits expense	**30,309,689**	**27,574,742**

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

20. EMPLOYEE BENEFITS LIABILITIES (continued)

d. Liability for long-term employee benefits:

	December 31,	
	2016	**2015**
Present value of defined benefits obligation	167,600,735	145,535,025
Fair value of assets	(42,739,242)	(26,344,605)
Balance at the end of year	**124,861,493**	**119,190,420**

e. Movements in other comprehensive income:

	Year ended December 31,	
	2016	**2015**
Balance at beginning of year	39,932,478	62,293,820
Actuarial gain on employee benefits liability	(3,997,608)	(36,015,746)
Actuarial loss on asset plan	13,169,252	13,654,404
Balance at the end of year	**49,104,122**	**39,932,478**

f. The movements in the present value of the defined benefits obligation are as follows:

	Year ended December 31,	
	2016	**2015**
Balance at beginning of year	145,535,025	158,232,773
Current service cost	17,771,225	14,317,240
Interest cost	13,243,687	12,802,070
Past service cost	1,692,136	1,793,105
Actuarial (gain) loss on benefits obligation:		
Experience adjustment	(13,409,149)	(22,018,960)
Changes in financial assumptions	9,411,541	(13,996,785)
Employee benefits paid	(6,643,730)	(5,594,418)
Balance at the end of year	**167,600,735**	**145,535,025**

g. The details of the present value of the defined benefits obligation as of December 31, 2016 and prior four years as of December 31, 2015, 2014, 2013, and 2012 are as follows:

	2016	**2015**	**2014**	**2013**	**2012**
Present value of the defined obligation	167,600,735	145,535,025	158,232,773	116,533,209	131,340,705
Adjustment arising from the liabilities program	13,409,149	22,018,960	(16,045,224)	(19,503,995)	7,136,602

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

20. EMPLOYEE BENEFITS LIABILITIES (continued)

h. A change of one percent in the discount rate would change the present value of the defined benefits obligation and current service cost to become the figures described/indicated below:

	December 31, 2016
Increase of 1%	
Present value of the defined benefits obligation	154,183,492
Current service cost	16,071,202
Decrease of 1%	
Present value of the defined benefits obligation	182,965,926
Current service cost	19,759,812

i. A change of one percent in the salary increase rate would change the present value of the defined benefit obligation and current service cost to become the figurs described/indicated below:

	December 31, 2016
Increase of 1%	
Present value of the defined benefits obligation	182,797,256
Current service cost	19,737,754
Decrease of 1%	
Present value of the defined benefits obligation	154,091,506
Current service cost	16,060,107

The sensitivity analysis have been determined based on a method that extrapolates the impact on DBO as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The sensitivity result above determines the individual impact on each DBO program at the end of the year.

In fact, every program depends on some other external things that resulting on movement of DBO in one direction or opposite direction.

There are no changes in the method and assumptions used in preparing the sensitivity analysis from the previous period.

j. The maturity profile of defined benefits obligation as of December 31, 2016

	December 31, 2016
Less than 1 year	11,246,884
1 - 5 years	60,204,303
More than 5 years	1,955,916,962
Total	**2,027,368,149**

The average duration of the defined benefits plan obligation at the end of reporting period is 10 years for the Group. The Group management believes that employee benefits liability have been quite appropriate with the requirements by Labor Law.

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

21. DOWNPAYMENTS RECEIVED AND SECURITY DEPOSITS

This account consists of:

	December 31,	
	2016	**2015**
a. Downpayments received from the sale of (Note 7):		
Related parties (Note 32)		
Apartments	2,597,010	1,633,867
Shops	1,138,200	-
Third parties		
Houses	1,495,629,747	1,289,428,327
Apartments	933,706,691	1,027,606,843
Shops	156,803,531	7,991,258
Land plots	17,648,500	11,376,370
Others	7,804,128	4,842,621
Total downpayments received	2,615,327,807	2,342,879,286
b. Customer deposits for:		
Related parties (Note 32)		
Rent	6,641,643	6,604,319
Telephone	96,000	78,000
Sinking fund	11,403	7,523
Others	84,400	76,599
Third parties		
Rent	110,245,480	88,273,281
Sinking fund	6,619,970	5,117,035
Membership	3,127,916	3,418,657
Telephone	2,430,819	2,349,608
Others	18,160,118	17,327,133
Total customer deposits	147,417,749	123,252,155
Total	2,762,745,556	2,466,131,441
Less current maturities	(553,356,347)	(1,077,616,459)
Long-term portion	**2,209,389,209**	**1,388,514,982**

The details of downpayments received from customers based on the percentage to the contract sales price are as follows:

	December 31,	
	2016	**2015**
100%	982,672,315	558,568,261
50% - 99%	1,141,267,405	1,012,165,275
20% - 49%	370,633,744	675,898,602
< 20%	120,754,343	96,247,148
Total	**2,615,327,807**	**2,342,879,286**

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

22. UNEARNED REVENUES

This account consists of unearned rental revenues of:

	December 31,	
	2016	**2015**
Related parties (Note 32):		
Commercial and others	-	2,065
Third parties		
Mall and retail	327,087,431	292,502,335
Commercial and others	42,707,277	41,086,375
Residential	2,766,657	4,423,109
Office	1,102,965	1,622,247
Total unearned revenues	373,664,330	339,636,131
Less current maturities	(312,817,434)	(277,631,598)
Long-term portion	**60,846,896**	**62,004,533**

23. NON-CONTROLLING INTERESTS

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

	December 31,	
	2016	**2015**
SPCK and subsidiaries	1,054,235,129	729,683,931
SMPD and subsidiaries	769,598,075	682,042,237
SMIP and subsidiaries	97,308,255	105,209,972
BTKB	1,455,779	-
BHMS	3	2
Total equity attributable to Non-controlling interests	**1,922,597,241**	**1,516,936,142**

As of December 31, 2016, there were deposits for stock subscription amounting Rp94,484,898, and Rp36,775,367 from Non-controlling interests of SMPD and subsidiaries, SMIP and subsidiaries, respectively. And there was paid-in capital from Non-controlling interest of BTKB amounted to Rp1,500,000.

Total comprehensive loss for the year attributable to Non-controlling interests for the year ended December 31, 2016 amounted to Rp293,385,043 (2015: Rp208,894,414).

In December 31, 2015, there were deposits for stock subscription amounting to Rp124,415,043, Rp29,370,000 and Rp3,000,000 each from the Non-controlling interests on SMPD and subsidiaries, SMIP and subsidiaries, SPCK and subsidiaries.

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

23. NON-CONTROLLING INTERESTS (continued)

Subsidiaries with material Non-controlling interest

SPCK through subsidiary BTKV owns KNP by 40% and SMPD through subsidiaries GNSP, KCJA, GNSA, DTSA and SGMC own KNP range between 16.23% - 49.00%. Whereas SMIP through subsidiaries PMJA and JVOP own KNP range between 10.00% - 41.35%.

The financial information of subsidiaries which have Non-controlling interests ("NCI") material is as follows:

	December 31,	
	2016	**2015**
Accumulated balances NCI		
SPCK and Subsidiaries	1,054,235,129	729,683,931
SMPD and Subsidiaries	769,598,075	682,042,237
SMIP and Subsidiaries	97,308,255	105,209,972

The details of subsidiaries' financial information with material NCI as follows:

SPCK and Subsidiaries

	December 31,	
	2016	**2015**
Consolidated profit or loss and other comprehensive income		
Net revenues	2,757,683,196	1,764,689,337
Cost of goods sell and direct cost	(1,380,742,548)	(861,474,913)
Selling expenses	(129,895,969)	(63,824,007)
General and administration expenses	(182,273,835)	(207,886,736)
Other operating income	1,464,597	2,332,129
Other operating expenses	(3,098,603)	(1,777,931)
Finance income	49,131,197	31,031,818
Finance costs	(26,186,901)	(31,432,463)
Profit before final tax and income tax expense	1,086,081,134	631,657,234
Final tax expense	(110,671,635)	(86,669,012)
Income tax expense	(3,042,470)	3,050,617
Sub-total	972,367,029	548,038,839
Other comprehensive income (expenses)	(2,023,614)	2,554,747
Comprehensive income for the year	**970,343,415**	**550,593,586**

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

23. NON-CONTROLLING INTERESTS (continued)

The details of subsidiaries' financial information with material NCI as follows: (continued)

SPCK and Subsidiaries (continued)

	December 31,	
	2016	**2015**
Consolidated financial position		
Current assets	3,888,772,668	3,271,385,140
Non-current assets	2,072,035,974	1,951,355,780
Current liabilities	(919,188,280)	(1,570,820,674)
Non-current liabilities	(1,714,240,927)	(1,194,884,228)
Total equity	**3,327,379,435**	**2,457,036,018**

	December 31,	
	2016	**2015**
Consolidated cash flow		
Operating	276,913,453	(10,323,288)
Investing	(69,851,523)	(62,876,189)
Financing	129,984,966	34,650,783
Net increase (decrease) in cash and cash equivalent	**337,046,896**	**(38,548,694)**

SMPD and Subsidiaries

	December 31,	
	2016	**2015**
Consolidated profit or loss and other comprehensive income		
Net revenues	98,081,821	91,629,081
Cost of goods sell and direct cost	(46,331,541)	(77,351,382)
Selling expenses	(40,318,646)	(22,734,432)
General and administration expenses	(82,078,394)	(63,096,599)
Other operating income	94,876	18,366,561
Other operating expenses	(57,532)	(66,093)
Finance income	29,894,064	13,160,304
Finance costs	(3,625,429)	(1,135,073)
Loss before final tax and income tax expense	(44,340,781)	(41,227,633)
Final tax expense	(975,507)	-
Income tax expense	(257,684)	(3,384,358)
Sub-total	(45,573,972)	(44,611,991)
Other comprehensive income (expenses)	819,811	(2,938,878)
Comprehensive expense for the year	**(44,754,161)**	**(47,550,869)**

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

23. NON-CONTROLLING INTERESTS (continued)

The details of subsidiaries' financial information with material NCI as follows: (continued)

SMPD and Subsidiaries (continued)

	December 31, 2016	December 31, 2015
Consolidated financial position		
Current assets	1,102,002,045	581,984,317
Non-current assets	4,445,458,762	4,136,475,602
Current liabilities	(123,703,951)	(175,782,460)
Non-current liabilities	(726,704,294)	(105,227,466)
Total equity	**4,697,052,562**	**4,437,449,993**

	December 31, 2016	December 31, 2015
Consolidated cash flow		
Operating	286,781,371	311,663,032
Investing	(363,743,176)	(1,052,747,524)
Financing	341,369,867	746,529,114
Net increase in cash and cash equivalent	**264,408,062**	**5,444,622**

SMIP and Subsidiaries

	December 31, 2016	December 31, 2015
Consolidated profit or loss and other comprehensive income		
Net revenues	784,553,893	698,808,472
Cost of goods sell and direct cost	(502,970,960)	(471,728,879)
Selling expenses	(55,900,172)	(62,263,237)
General and administration expenses	(154,500,740)	(122,754,343)
Other operating income	571,351	2,206,903
Other operating expenses	(84,388)	(2,448,340)
Finance income	7,254,033	7,346,712
Finance costs	(163,002,672)	(151,692,015)
Loss before final tax and income tax expense	(84,079,655)	(102,524,727)
Final tax expense	(50,938,687)	(46,415,918)
Income tax expense	(2,686,711)	(1,615,418)
Sub-total	(137,705,053)	(150,556,063)
Other comprehensive income (expenses)	(2,400,425)	624,197
Comprehensive expense for the year	**(140,105,478)**	**(149,931,866)**

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

23. NON-CONTROLLING INTERESTS (continued)

The details of subsidiaries' financial information with material NCI as follows: (continued)

SMIP and Subsidiaries (continued)

	December 31, 2016	December 31, 2015
Consolidated financial position		
Current assets	394,995,752	318,112,881
Non-current assets	3,940,391,764	3,663,271,951
Current liabilities	(608,759,001)	(338,803,931)
Non-current liabilities	(1,571,930,276)	(1,632,627,684)
Total equity	**2,154,698,239**	**2,009,953,217**

	December 31, 2016	December 31, 2015
Consolidated cash flow		
Operating	134,557,440	(101,627,104)
Investing	(458,260,253)	(548,682,076)
Financing	369,657,864	724,022,498
Net increase in cash and cash equivalent	**45,955,051**	**73,713,318**

24. SHARE CAPITAL

The details of the Company's share ownership as of December 31, 2016 are as follows:

Shareholders	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	20,000,000	0.14	2,000,000
Ownership of 5% or more			
PT Semarop Agung	3,668,788,504	25.43	366,878,850
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)	8,976,416,952	62.22	897,641,696
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

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

24. SHARE CAPITAL (continued)

The details of the Company's share ownership as of December 31, 2015 are as follows:

Shareholders	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	40,730,664	0.28	4,073,067
Ownership of 5% or more			
PT Semarop Agung	3,668,788,504	25.43	366,878,850
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)	8,955,686,288	62.08	895,568,629
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

Information on the composition of the shareholders and the Company's ownership is based on report from PT Sirca Datapro Perdana, Registrar of Companies on December 31, 2016 and 2015.

25. ADDITIONAL PAID-IN CAPITAL

As of December 31, 2016 and 2015, the balance of this account arose from the following:

	December 31,	
	2016	**2015**
Share premium	721,671,346	721,671,346
Other paid-in capital	17,103,214	17,103,214
Differences in value from transactions 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 shares and converted warrants over the par value of the shares issued after offsetting all stock/warrant issuance costs.

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 and Soetjipto Nagaria (controlling party) using the pooling-of-interests method in 2012.

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.

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

26. APPROPRIATED RETAINED EARNINGS - GENERAL RESERVE

Based on the minutes of stockholders' annual general meetings held on June 23, 2016 and June 10, 2015, the Company stockholders approved the appropriation of general reserve amounting to Rp11,164,413 and Rp13,875,169 respectively.

As of December 31, 2016 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.

27. CASH DIVIDENDS

In the stockholders' annual general meetings held on June 23, 2016 and June 10, 2015, the Company's stockholders approved the cash dividend distribution amounting to Rp5 (full amount) per share or equivalent to Rp72,133,908 and Rp20 (full amount) per share or equivalent to Rp288,535,633, respectively.

As of December 31, 2016, the dividend payable balance amounted to Rp1,918,467 (2015:Rp2,253,152), which is presented as part of "Other Payables" under current liabilities in the consolidated statement of financial position (Note 17).

28. NET REVENUES

The details of net revenues are as follows:

	Year ended December 31,	
	2016	**2015**
Property development (Note 7):		
Related parties (Note 32)		
Apartment	4,008,336	2,944,776
Landplots	44,081,459	-
Third parties		
Apartments	1,591,220,926	1,630,113,393
Houses	1,558,598,463	1,352,996,026
Shops	89,054,207	954,098,102
Landplots	273,866,409	37,214,803
Sub-total	3,560,829,800	3,977,367,100
Investment properties (Note 12):		
Related parties (Note 32)		
Mall and retail	42,106,259	25,500,719
Commercial and others	523,019	-
Office	1,024,847	551,852
Third parties		
Mall and retail	1,238,208,659	1,153,509,033
Commercial and others	31,711,750	28,937,322
Office	25,368,177	24,092,430
Residential	9,086,623	9,316,790
Sub-total	1,348,029,334	1,241,908,146

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

28. NET REVENUES (continued)

The details of net revenues are as follows: (continued)

	Year ended December 31,	
	2016	**2015**
Others:		
Related parties (Note 32)		
Estate and property management	92,994	36,675
Others	465,826	-
Third parties		
Hotel	175,690,559	149,948,420
Estate and property management	126,542,427	97,294,881
Healthcare	99,627,470	77,642,318
Leisure	68,642,074	63,489,785
Others	18,028,423	15,873,299
Sub-total	489,089,773	404,285,378
Net revenues	**5,397,948,907**	**5,623,560,624**

The percentage of revenues from sales to related parties to net revenues accounted for 1.71% in 2016 (2015: 0.52%). In 2016 and 2015, no revenues exceeding 10% of annual net revenues were earned from any single customer.

29. COST OF SALES AND DIRECT COSTS

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

	Year ended December 31,	
	2016	**2015**
Property development		
Apartments (Note 7)	997,862,711	885,101,875
Houses (Note 7)	737,516,712	601,391,348
Shops (Note 7)	24,165,931	271,869,917
Landplots	37,640,728	1,213,650
Sub-total	1,797,186,082	1,759,576,790
Investment properties		
Mall and retail	635,364,201	635,504,072
Commercial and others	18,159,454	15,442,580
Office	18,172,879	16,644,878
Residential	4,459,010	4,580,382
Sub-total	676,155,544	672,171,912

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

29. COST OF SALES AND DIRECT COSTS (continued)

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

	Year ended December 31,	
	2016	**2015**
Others		
Hotel	103,060,492	83,748,280
Estate and property management	100,902,637	87,222,050
Healthcare	63,445,724	54,355,276
Leisure	44,802,709	46,284,891
Others	13,985,016	13,396,459
Sub-total	326,196,578	285,006,956
Total cost of sales and direct costs	**2,799,538,204**	**2,716,755,658**

In 2016 and 2015, no purchases exceeding 10% of net revenues were made from any single supplier.

30. OPERATING EXPENSES

The details of operating expenses are as follows:

	Year ended December 31,	
	2016	**2015**
Selling expenses		
Promotion and advertising	200,368,013	201,640,543
Sales commissions	122,167,370	33,914,729
Salaries and employee benefits	10,945,694	11,608,908
Show units	6,437,479	7,703,506
Others (each below Rp1,000,000)	9,051,488	3,428,373
Total selling expenses	348,970,044	258,296,059
General and administrative expenses		
Salaries and employee benefits	526,709,220	538,510,999
Depreciation (Notes 11 and 12)	87,447,240	80,173,647
Professional fees	26,220,481	16,345,378
Corporate events	20,828,717	53,366,287
Electricity, water and telephone	20,343,878	18,966,844
Tax assessment charges	18,846,130	15,515,235
Travelling and transportation	17,459,885	21,310,760
Entertainment, representation and donations	15,477,195	23,517,605
Security	15,019,076	13,656,028
Repairs and maintenance	12,349,409	9,454,828
Office building supplies/equipment	10,783,875	11,543,990
Royalty and incentives	10,168,217	8,765,675
Office households	8,409,964	9,594,525
Others (each below Rp8,000,000)	50,439,245	60,157,168
Total general and administrative expenses	840,502,532	880,878,969
Total operating expenses	**1,189,472,576**	**1,139,175,028**

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

31. FINANCE COSTS

	Year ended December 31, 2016	2015
Interest expense:		
Loans from banks	319,685,140	277,297,959
Bonds payable	283,719,520	183,975,497
Other payables	2,563,289	344,346
Loans from financing institutions	687,048	969,008
Amortization of difference in fair value of security deposits	9,149,710	7,501,621
Amortization of bonds	5,588,608	3,789,674
Bank administration	4,588,264	5,484,194
Others	7,546,367	4,131,308
Total finance costs	**633,527,946**	**483,493,607**

32. 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:

	December 31,		Percentage to total consolidated assets/liabilities (%)	
	2016	2015	2016	2015
Trade receivables (Note 5)				
Trade receivables – current				
Other related parties				
PT Sulisman Graha	25,789,440	-	0.1239	-
PT Centrapacific Nusajaya	29,218	170,161	0.0001	0.0009
Entity under common control				
PT Star Maju Sentosa	2,049,311	3,381,413	0.0098	0.0180
Key management personnel				
Lexy Arie Tumiwa	405,689	221,403	0.0019	0.0012
Harto Djojo Nagaria	118,055	-	0.0006	-
Soegianto Nagaria	-	10,990	-	0.0001
Ge Lilies Yamin	-	2,564	-	0.0000
Total trade receivables – current	28,391,713	3,786,531	0.1363	0.0202
Trade receivables – non-current				
Other related parties				
PT Sulisman Graha	10,794,659	-	0.0519	-
Total trade receivables	**39,186,372**	**3,786,531**	**0.1882**	**0.0202**
Due from related parties - non-current:				
Joint venture				
PT Jakartabaru Cosmopolitan	63,119,824	55,018,190	0.3033	0.2933
Other related parties				
Yayasan Inti Prima Bangsa	2,250,430	-	0.0108	-
Entity under common control				
PT Star Maju Sentosa	560,658	589,225	0.0027	0.0031
Associate				
PT Sukmapersada Nusa	110,931	110,931	0.0005	0.0006
Key management personnel				
Liliawati Rahardjo	-	30,934	-	0.0002
Total due from related parties – non-current	**66,041,843**	**55,749,280**	**0.3173**	**0.2972**

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

32. 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)

	December 31,		Percentage to total consolidated assets/liabilities (%)	
	2016	2015	2016	2015
Downpayments received and security deposits (Note 21)				
Downpayments received and security deposits - current				
Entity under common control				
PT Star Maju Sentosa	164,492	112,166	0.0013	0.0010
Other related parties				
PT Maktosa Jaya Indah	3,100	2,165	0.0000	0.0000
Theresia Mareta	1,049	630	0.0000	0.0000
Key management personnel				
Ge Lilies Yamin	31,505	702	0.0002	0.0000
Soegianto Nagaria	1,995	1,278	0.0000	0.0000
Herman Nagaria	1,105	756	0.0000	0.0000
Adrianto P. Adhi	1,045	683	0.0000	0.0000
Lexy Arie Tumiwa	1,045	683	0.0000	0.0000
Harto Djojo Nagaria	1,000	627	0.0000	0.0000
Total downpayments received and security deposits – current	**206,336**	**119,690**	**0.0015**	**0.0010**
Downpayments received and security deposits - non-current				
Entity under common control				
PT Star Maju Sentosa	6,657,551	6,646,751	0.0527	0.0592
Key management personnel				
Harto Djojo Nagaria	1,894,160	-	0.0150	-
Ge Lilies Yamin	959,988	1,633,867	0.0076	0.0146
Liliawati Rahardjo	516,050	-	0.0041	-
Herman Nagaria	137,873	-	0.0011	-
Other related parties				
PT Centrapacific Nusajaya	66,817	-	0.0005	-
PT Maktosa Jaya Indah	129,881	-	0.0010	-
Total downpayments received and security deposits – non-current	10,362,320	8,280,618	0.0820	0.0738
Total downpayments received and security deposits	**10,568,656**	**8,400,308**	**0.0835**	**0.0748**
Unearned revenues (Note 22)				
Key management personnel				
Herman Nagaria	-	**2,065**	**-**	**0.0000**
Due to related parties				
Due to related parties - current:				
Other related party:				
PT Sulisman Graha	79,512,731	**-**	0.6288	**-**
Due to related parties - non-current:				
Other related parties				
Amelia Tatiana	-	2,095,149	-	0.0187
Dandan Jaya Kartika	-	670,448	-	0.0060
Total due to related parties – non-current	-	2,765,597	-	0.0247
Total due to related parties	**79,512,731**	**2,765,597**	**0.6288**	**0.0247**

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

32. 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):

	Year ended December 31,		Percentage to consolidated net revenues (%)	
	2016	2015	2016	2015
Net revenues (Note 28)				
Entity under common control				
PT Star Maju Sentosa	43,131,106	26,052,571	0.7990	0.4633
Key management personnel				
Harto Djojo Nagaria	1,142,347	1,392,920	0.0212	0.0248
Liliawati Rahardjo	833,252	-	0.0154	-
Ge Lilies Yamin	648,605	772,719	0.0120	0.0137
Herman Nagaria	460,563	30,564	0.0085	0.0005
Soegianto Nagaria	392,602	33,441	0.0073	0.0006
Lexy Arie Tumiwa	177,068	338,389	0.0033	0.0060
Esther Melyani Homan	-	15,258	-	0.0003
Adrianto P. Adhi	10,441	3,333	0.0002	0.0001
Other related parties				
PT Sulisman Graha	44,081,459	-	0.8166	-
Yayasan Syiar Bangsa	523,019	-	0.0097	-
Yayasan Inti Prima Bangsa	465,826	-	0.0086	-
PT Centrapacific Nusajaya	243,697	353,439	0.0045	0.0063
PT Maktosa Jaya Indah	179,615	37,543	0.0033	0.0007
Theresia Mareta	13,140	3,845	0.0002	0.0001
Total net revenues	**92,302,740**	**29,034,022**	**1.7098**	**0.5164**

The amounts due from and due to related parties resulting from non-trade transactions are non-interest bearing and have no fixed repayment dates and will be settled in cash. There are no security deposits given or received for each due to and due from related parties.

On December 31, 2016, the Group management believes that all due from related parties are collectible, therefore no allowance and impairment needed.

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

Related parties	Relationship	Transactions
PT Sulisman Graha	Under common control	Sale of landplots
PT Centrapacific Nusajaya	Other	Sale of apartment
PT Star Maju Sentosa	Under common control	Space rental and management deposit
Lexy Arie Tumiwa	Director	Sale of shophouses, houses, landplots, apartment, and deposit of estate management
Harto Djojo Nagaria	Commissioner	Sale of apartment and deposit of estate management
PT Jakartabaru Cosmopolitan	Joint venture	Payable on profit sharing
Yayasan Inti Prima Bangsa	Other	Loan payable
PT Sukmapersada Nusa	Associate	Loan payable
PT Maktosa Jaya Indah	Stockholder	Sale of apartment and estate management revenue

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

32. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

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

Related parties	Relationship	Transactions
Theresia Mareta	Close family member of Director	Estate management revenue
Ge Lilies Yamin	Independent Director	Sale of apartment and deposit of estate management
Soegianto Nagaria	Director	Sale of apartment and deposit of estate management
Herman Nagaria	Director	Sale of apartment and deposit of estate management
Adrianto P. Adhi	Director	Deposit of estate management
Liliawati Rahardjo	Director	Sale of apartment
Amelia Tatiana	Other	Subscription of stock
Dandan Jaya Kartika	Other	Subscription of stock
Esther Melyani Homan	Commissioner	Sale of apartment
Yayasan Syiar Bangsa	Other	Space rental

33. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of December 31, 2016 and 2015, the Group has monetary assets and liabilities denominated in foreign currencies. The rupiah equivalents of foreign currency-denominated assets and liabilities as of December 31, 2016 and 2015 and as of the date of completion of the consolidated financial statements are as follows:

		Foreign Currency		Rupiah Equivalent		
		2016	2015	December 31, 2016	December 31, 2015	March 24, 2017 Audit Report Date
Assets						
Cash and cash equivalents						
U.S dollar	US$	5,665,596	6,680,071	76,122,945	92,151,582	75,516,727
European euro	Euro	193,635	191,064	2,742,172	2,879,277	2,777,891
Australian dollar	AUD	11,883	11,883	115,554	119,591	120,628
Great Britain pounds	GBP	3,540	3,000	58,437	61,353	58,936
Singapore dollar	Sin$	1,505	1,583	13,993	15,434	14,311
Malaysian ringgit	RM	3,898	12,020	11,678	38,579	11,727
Japan yen	JPY	97,211	120,310	11,219	13,778	11,638
Thailand baht	THB	20,560	7,020	7,713	2,683	7,903
China yuan	CNY	2,385	2,373	4,619	5,066	4,618
Hong Kong dollar	HKD	2,294	2,294	3,975	4,088	3,937
Korean won	KRW	87,039	87,128	970	1,021	1,033
Denmark kroner	DKK	290	290	552	586	559
New Zealand dollar	NZD	23	23	213	214	212
United Arab Emirates dirham	AED	885	885	3,170	3,253	3,205
Total assets in foreign currencies				79,097,210	95,296,505	78,533,325

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

33. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES (continued)

As of December 31, 2016 and 2015, the Group has monetary assets and liabilities denominated in foreign currencies. The rupiah equivalents of foreign currency-denominated assets and liabilities as of December 31, 2016 and 2015 and as of the date of completion of the consolidated financial statements are as follows: (continued)

		Foreign Currency		Rupiah Equivalent		
		2016	2015	December 31, 2016	December 31, 2015	March 24, 2017 Audit Report Date
Liabilities						
Short-term bank loan (Note 14a)						
U.S dollar	US$	3,000,000	3,000,000	40,308,000	41,385,000	39,987,000
Long-term bank loan (Note 14b)						
U.S dollar	US$	7,644,307	6,664,373	102,708,909	91,935,021	101,890,968
Trade payables to third parties (Note 16)						
U.S dollar	US$	860,258	262,428	11,558,432	3,620,194	11,466,384
Singapore dollar	Sin$	25,882	-	240,675	-	246,152
European euro	Euro	-	8,883	-	133,867	-
Other payables						
U.S dollar	US$	3,885,000	2,991,000	52,198,860	41,260,845	51,783,165
Accrued expenses						
U.S dollar	US$	32,029	62,000	430,346	855,290	426,919
Total liabilities in foreign currencies				207,445,222	179,190,217	205,800,588
Liabilities in foreign currencies - net				**(128,348,012)**	**(83,893,712)**	**(127,267,263)**

34. FINANCIAL INSTRUMENTS

The following table sets out the carrying values and estimated fair values of the Group's financial instruments which recorded in the consolidated financial statements:

	December 31, 2016		December 31, 2015	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets				
Loans and receivables				
Cash and cash equivalents	2,076,201,416	2,076,201,416	1,503,546,080	1,503,546,080
Trade receivables	578,602,752	578,602,752	145,921,281	145,921,281
Other receivables	9,570,295	9,570,295	6,461,820	6,461,820
Other current financial assets	106,644	106,644	103,829	103,829
Due from related parties	66,041,843	66,041,843	55,749,280	55,749,280
Other non-current financial assets	226,775,487	226,775,487	99,005,586	99,005,586
Total	**2,957,298,437**	**2,957,298,437**	**1,810,787,876**	**1.810,787,876**
Financial Liabilities				
Financial liabilities at amortized costs				
Short-term bank loans	1,040,798,732	1,040,798,732	808,553,471	808,553,471
Trade payables to third parties	57,614,375	57,614,375	63,006,515	63,006,515
Other payables	235,648,531	235,648,531	279,033,567	279,033,567
Due to related parties	79,512,731	79,512,731	2,765,597	2,765,597
Accrued expenses	1,515,289,485	1,515,289,485	1,697,306,503	1,697,306,503
Liability for short-term employee benefits	7,878,524	7,878,524	6,485,405	6,485,405
Downpayments received and security deposit – customer deposit	147,417,749	147,417,749	123,252,155	123,252,155
Long-term debts	3,903,881,393	3,903,881,393	2,912,893,695	2,912,893,695
Bonds payable and sukuk ijarah	2,481,961,543	2,481,961,543	2,476,372,934	2,476,372,934
Other non-current financial liabilities	12,842,452	12,842,452	16,342,450	16,342,450
Total	**9,482,845,515**	**9,482,845,515**	**8,386,012,292**	**8,386,012,292**

34. FINANCIAL INSTRUMENTS (continued)

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The Group uses the following hierarchy for determining the fair value of financial instruments:

- 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 value measured based on valuation techniques for which inputs which have a significant effect on the recorded fair value are not based on observable market data.

There is no financial instrument measured by hierarchy level 1, 2, and 3

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a. Cash and cash equivalents, trade receivables, other receivables, other current financial assets, short-term bank loans, trade payables to third parties, other payables, accrued expenses, due to related parties, downpayments received and security deposits - customer deposits, current maturities of long-term debts, and liability for short-term employee benefits approximate their carrying amounts due to their short-term nature.

b. Other receivables, due from related parties, long term debts - net of current maturities, due to related parties, downpayments received and security deposits - customer deposits, and other non-current financial assets and liabilities. The fair value of these financial instruments cannot be measured reliably since they have no fixed repayment dates; therefore, they are measured at cost.

c. The fair values of deposits received – customer deposits and other non – current financial assets are determined by discounting future cash flows using applicable rates from observable current market transaction for instruments with the same terms, credit risk and remaining maturities.

d. Long – term bank loan and financing institution, bonds payable and sukuk ijarah are measured at amortized cost.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities consist of short-term bank loans, trade payables to third parties, other payables, accrued expenses, due to related parties, downpayments received and security deposits - customer deposits, long-term debts, bonds payable and sukuk ijarah, liability for short-term employee benefits and other non-current financial liabilities. The main purpose of the financial liabilities is to raise working capital for the Group's operations and investment activities. The Group has various financial assets, such as cash and cash equivalents, trade receivables, other receivables, due from related parties and other current and non-current financial assets which arise directly from its operations.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The main risks arising from the Group's financial instruments are market risk (including foreign currency risk and commodity price risk), interest rate risk, credit risk and liquidity risk. The management reviews and approves policies for managing each of these risks, which are described in more detail as follows:

a. Foreign currency risk

The Group does not significantly use foreign currencies because nearly all of its transactions, assets and liabilities are denominated in rupiah.

The Group's reporting currency is the rupiah. It faces foreign exchange risk in cases of imported purchases of equipment and building equipment, but these are not material, so the effect of foreign currency risk, such as the U.S. dollar, European euro and Singapore dollar is not significant.

The Group does not have any formal hedging policy for foreign exchange exposure. If needed, hedging will be obtained to reduce risk to foreign currency risk. Transactions in foreign currencies other than in connection with regular operations is maintained at an acceptable minimum level.

b. Commodity price risk

The Group's exposures to commodity price risk relates primarily to the purchase of major building materials, such as iron, steel, paint and cement. Before this happens, the Group enters into contracts with its suppliers that bind them to a fixed price, quantity and period of delivery based on the needs of the Group.

The Group's policy is to minimize the risks arising from the fluctuations in commodity prices by maintaining the stability level of development costs, besides profit for the year that should be achieved by the Group.

c. Interest rate risk

The Group's interest rate risk mainly arises from loans for working capital and investment purposes. Loans at variable rates expose the Group to fair value interest rate risk. The Group manages its interest rate risk by obtaining loans with a mixture of fixed and floating interest rates.

d. Credit risk

The Group is exposed to credit risk arising from the credit granted to its customers and tenants. To mitigate this risk, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts.

When a customer fails to make payment for the property purchased, the Group is not going to hand over to the customer the title to the property. As for the tenant whose payment is in arrears, the tenant's security deposit will be closely monitored. Before the arrears become greater than the security deposit, necessary action should be made, such as termination of rental agreement and rescheduling of payment. The Group's management is of the opinion that there are no significant concentrated risks on trade receivables.

With respect to credit risk arising from other financial asset, including cash in banks and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty. The Group has a policy not to place its funds in investments that have high credit risks and put its cash only in banks with good reputation.

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d. Credit risk (continued)

The table below shows the maximum exposure to credit risk on the components of the consolidated statement of financial position as of December 31, 2016:

	Maximum Exposure
Loans and receivables:	
Cash in banks and cash equivalents	2,068,877,724
Trade receivables	578,602,752
Other receivables	9,570,295
Other current financial assets	106,644
Other non-current financial assets	226,775,487
Total	**2,883,932,902**

d. Liquidity risk

The Group manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Group regularly evaluates its projected and actual cash flow information and continuously maintains its payable and receivable day's stability.

Wherever possible, the Group obtains financing from the capital market and financial institutions and for portfolio balances with short-term financing to achieve efficiency in financing.

The table below is a schedule of maturities of financial liabilities of the Group based on undiscounted contractual payments:

	1 year	**1-5 years**	**5 years**	**Total**
Short-term bank loans	1,040,798,732	-	-	1,040,798,732
Trade payables to third parties	57,614,375	-	-	57,614,375
Other payables	231,571,989	4,076,542	-	235,648,531
Accrued expenses	1,515,289,485	-	-	1,515,289,485
Liabilty for short-term employee benefits	19,125,408	-	-	19,125,408
Due to related parties	79,512,731	-	-	79,512,731
Downpayments received and security deposits - customer deposits	74,413,949	72,889,637	114,163	147,417,749
Long-term debts	658,588,961	3,871,892,369	74,883,589	4,605,364,919
Bonds payable and sukuk ijarah	285,482,600	3,023,436,965	-	3,308,919,565
Other non-current financial liabilities	-	12,842,450	-	12,842,450
Total	**3,962,398,230**	**6,985,137,963**	**74,997,752**	**11,022,533,945**

Capital management

The Group aims to achieve an optimal capital structure in pursuit of its business objectives, which include maintaining healthy capital ratios and strong credit ratings and maximizing stockholder value.

Some of the Group's debt instruments contain covenants that impose maximum leverage ratios. In addition, the Group's have complied with all capital requirements by bank creditors.

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

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

Management monitors capital using several financial leverage measurements such as debt-to-equity ratio. The Group's objective is to maintain its debt-to-equity ratio at a maximum of 10 as of December 31, 2016.

As of December 31, 2016 and 2015, the Group's debt-to-equity ratios are as follows:

	December 31,	
	2016	**2015**
Short-term bank loans	1,040,798,732	808,553,471
Long-term debts	3,903,881,393	2,912,893,695
Bonds payable and sukuk ijarah	2,481,961,543	2,476,372,934
Total Liabilities	**7,426,641,668**	**6,197,820,100**
Total Equity	**8,165,555,485**	**7,529,749,914**
Debt to equity ratio	**0.91**	**0.82**

36. OPERATING SEGMENT

Operating segment is reported based on the information used by the management evaluating the performance of each business segment and in determining the allocation of resources. There are no geographical segment since all the Group's business operations are located in Indonesia.

Significant business segments' revenues from property development, investment property, leisure and hospitality, and others which pertain to the main source of revenues. Property development segment comes from sale of houses, commercial building, apartment, and landplots. Investment property segment provides shophouses and office building rental. Leisure and hospitality segment related to sports club and hotel. While the other segment comes from health services, estate management, office and others.

Group management oversees the operating results of business unit for the purpose of decision making in allocation resources and performance evaluation. Segment performance will be evaluate based on segment's income or loss from operations that is measured based on income or loss from operations in consolidated financial statements.

All inter-segments have been eliminated. Consolidated information business segments is as follows:

	For the year ended December 31, 2016				
	Property Development	**Investment Property**	**Leisure & Hospitality**	**Others**	**Consolidation**
Net revenues	3,560,829,801	1,348,029,334	244,332,633	244,757,139	5,397,948,907
Gross profit	1,763,643,719	671,873,790	96,469,432	66,423,762	2,598,410,703
Income (loss) from operations	999,895,467	399,915,647	16,540,175	(6,415,825)	1,409,935,464
Finance income					101,097,479
Finance costs					(633,527,946)
Profit before final tax and income tax expense					877,504,997
Final tax expenses					(261,365,173)
Profit before income tax					616,139,824
Income tax expense - net					(11,088,966)
Profit for the year					**605,050,858**

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

36. OPERATING SEGMENT (continued)

All inter-segment transactions have been eliminated. Consolidated information by business segments is as follows: (continued)

	For the year ended December 31, 2016				
	Property Development	**Investment Property**	**Leisure & Hospitality**	**Others**	**Consolidation**
Other information					
Segment assets	15,564,430,688	4,603,069,027	361,143,492	281,676,450	20,810,319,657
Segment liabilities	9,904,935,158	2,417,275,918	218,050,402	104,502,694	12,644,764,172
Acquisition of fixed assets and investment properties	33,449,976	390,780,029	14,316,876	33,244,056	471,790,937
Depreciation	39,225,066	168,515,533	39,995,144	21,111,700	268,847,443

	For the year ended December 31, 2015				
	Property Development	**Investment Property**	**Leisure & Hospitality**	**Others**	**Consolidation**
Net revenues	3,977,367,101	1,241,908,146	213,438,205	190,847,172	5,623,560,624
Gross profit	2,217,790,310	569,736,234	83,405,035	35,873,387	2,906,804,966
Income (loss) from operations	1,492,372,707	322,696,550	4,195,085	(27,866,927)	1,791,397,415
Finance income					74,279,112
Finance costs					(483,493,607)
Profit before final tax and income tax expense					1,382,182,920
Final tax expenses					(316,174,047)
Profit before income tax					1,066,008,873
Income tax expense - net					(1,928,934)
Profit for the year					**1,064,079,939**
Other information					
Segment assets	13,838,472,947	3,786,524,389	859,543,372	273,721,314	18,758,262,022
Segment liabilities	8,746,351,347	1,862,641,905	516,876,091	102,642,765	11,228,512,108
Acquisition of fixed assets and investment properties	95,182,650	282,405,059	177,679,303	41,446,563	596,713,575
Depreciation	37,957,601	155,572,109	28,825,794	18,603,696	240,959,200

Finance income and costs, and final tax and income tax expenses are not allocated to individual segments as these are presented on a Group basis.

37. SIGNIFICANT AGREEMENTS AND COMMITMENTS

a. In 2016, PT Inovasi Jaya Properti (IVJP) and PT Bintang Mentari Indah (BNMI) obtained credit facility from PT Sulisman Graha (SLG), related party, amounting to Rp65,000,000 and Rp16,000,000 respectively. This credit facility will due in 1 year and can be extended under the agreement between IVJP and BNMI with SLG. This credit facility bore interest at 9.25% p.a. During the year of 2016, there is no principle repayment due.

b. 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. As compensation, YPIB will have to pay management fee with terms and conditions according to the agreement, starting from August 1, 2016. On December 31, 2016, the total balance of management fee paid was amounting to Rp465,826 and recorded as “Net Revenues” in consolidated statement of profit and loss and other comprehensive income.

c. In 2015, PT Inovasi Jaya Properti (IVJP) and PT Bintang Mentari Indah (BNMI) obtained credit facility from Emerald Sanctuary Pte. Ltd (EMS) amounting to US$1,106,000 and US$1,885,000, respectively. This credit facility will due in 1 year and can be extended under the agreement between IVJP and BNMI with EMS. This credit facility bore interest at 4.50% p.a. For the year ended December 31, 2015, total balance of the loans payable from the facility is Rp41,260,845 and already recorded as part of Other payable (Note 17). In 2016, the credit facility has been fully repaid on the due date.

d. On February 14, 2013, PT Multi Abadi Prima (MTAP) entered into a gas station agreement with PT Pertamina (Persero). Based on the agreement, MTAP will provide the land which will be used for gas station and also manage the operations of the gas station. MTAP is entitled to receive revenue-sharing compensation, computed at a certain rate agreed by both parties. This agreement is valid for 20 years.

e. On December 18, 2014, PT Multi Abadi Prima (MTAP) entered into a gas station operational agreement with PT Pertamina Retail (PER), whereby MTAP will lease out to PER the rights to operate the Bekasi and Kelapa Gading gas stations. As compensation, PER will receive fees of Rp220,000,000 for Bekasi gas stations and Rp60,000,000 for Kelapa Gading gas stations, from MTAP which will be paid quarterly in advance. This agreement is valid for a period of 5 years, effective on January 1, 2015.

f. In March 2014, PT Nirwana Jaya Semesta (NWJS) entered into the following agreements with PT AAPC Indonesia (AAPC):

    1. Hotel Technical Assistance Agreement with PT AAPC Indonesia (AAPC), wherein AAPC agreed to provide technical assistance and consultation for the construction of Novotel Hotel located at Slipi, Jakarta. NWJS agreed to pay a fee of US$100,000 for the service rendered by AAPC. This agreement is valid until the opening and commencement of operations of the Hotel. For the year ended December 31, 2016, NWJS has paid US$40,000 or equivalent to Rp514,580 to AAPC. The total amount paid was capitalized to Investment Properties in the consolidated statement of financial position and as a part of “Construction in Progress” (Note 12).

37. SIGNIFICANT AGREEMENTS AND COMMITMENTS (continued)

f. In March 2014, PT Nirwana Jaya Semesta (NWJS) entered into the following agreements with PT AAPC Indonesia (AAPC): (continued)

    2. Hotel Management Agreement with PT AAPC Indonesia (AAPC), wherein AAPC is engaged as the sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of Novotel Hotel in Slipi, Jakarta. AAPC is entitled to receive basic fee, incentive fee, pre-opening fee and reservation and sales contribution fee, which are computed at the rate in accordance with the terms of the agreement. As of December 31, 2016, there is no basic fee, incentive fee, pre-opening fee and reservation and sales contribution fee that has been paid to AAPC, since the hotel has not commenced its commercial operations yet.

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

    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 sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of Pop! Hotel Kelapa Gading. Tauzia is entitled to receive management fee and additional incentive fee such as procurement of technology services, Tauzia reservation, sales contribution, advertising contribution and handling costs, which are computed at the rate in accordance with the terms of the agreement.

h. In November 2014, PT Summarecon Hotelindo (SMHO) entered into the following agreements with Harris International Hotel Corporation (HIHC) and PT Tauzia International Management (Tauzia):

    1. Tradename and Trademark License Agreements, wherein SMHO is authorized to use the name “Harris” and its hotel will be named “Harris Hotel Bekasi”. SMHO agreed to pay royalty as compensation, in accordance with the terms of the agreement, at the rate of 1.75% of total revenue of Harris Hotel Bekasi. 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 sole and exclusive advisor and consultant to supervise, direct, manage and control the operations of Harris Hotel Bekasi. Tauzia is entitled to receive management fee and additional incentive fee such as procurement of technology services, Tauzia reservation, sales contribution, advertising contribution and handling costs, which are computed at the rate in accordance with the terms of the agreement.

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

    1. Hotel Technical Assistance Agreement with MH&R, wherein MH&R agreed to provide technical assistance and consultation for the construction of HOPJ’s resort project located in Jimbaran, Bali. HOPJ agreed to pay fee of US$175,000 for the service rendered by MH&R. This agreement is valid until the opening and commencement of operations of the Hotel. As of December 31, 2016, HOPJ has paid US$131,250 (equivalent to Rp1,237,819) to MH&R.

37. SIGNIFICANT AGREEMENTS AND COMMITMENTS (continued)

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

2. 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 of 1.25% of total gross profit and at the rate of 2% of total room sales, respectively. This agreement is valid for 15 years starting from the commercial operations of the hotel. As of December 31, 2016, there is no contribution and marketing fee that has been paid to MH&R since the hotel has not commenced its commercial operations yet.

3. 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, in accordance with the terms of the agreement, at rates up to a maximum of 1% of total revenues. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel. As of December 31, 2016, there is no royalty fee that has been paid to MH&R since the hotel has not commenced its commercial operations yet.

4. 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 rates up to a maximum of 9% of gross operating profit. This agreement is valid for 15 years, commencing from the start of the commercial operations of the hotel. As of December 31, 2016, there is no consultation fee that has been paid to MH&R since the hotel has not commenced its commercial operations yet.

j. On June 1, 2012, PT Mahkota Intan Cemerlang (MKIC) entered into an agreement with Jendot Sudiyanto (SDY) in relation to the acquisition of land properties with total area of ± 2,000,000m^2 (consisted of Land I and Land II), located in Samarinda, which will be developed into a residential and commercial area along with the supporting facilities. Both parties agreed that once SNMI acquired Land I from SDY, MKIC will transfer 33% of its shares in SNMI to SDY. Based on notarial deed No.123 dated November 28, 2012 of Dewi Himijati Tandika, S.H., SDY acquired 33% ownership of SNMI (Note 1e). As of December 31, 2014, Land I is already acquired by SNMI and the acquisition of land II is still in process of transfer from the previous owners to SDY.

In order to guarantee the completion of land title deeds issuance for Land I and II, SDY paid Rp5,000,000 to SNMI as deposit, which has been recorded as a part of “Other Non-current Financial Liabilities” in the consolidated statement of financial position as of December 31, 2016.

38. 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, with decision No. 447/PDT.G/2013/PN.TNG. On June 18, 2014, Tangerang High Court decided to refuse the Plaintiff's claim. On May 20, 2014, the Plaintiff filed an appeal to Banten High Court, which was registered under Reg. No. 79/PDT/2014/PT.BTN and 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, which was registered under Reg. No. 813K/PDT/2015. On July 9, 2015, Supreme Court issued a judgement ruling to decline Banten High Court's decision No. 79/PDT/2014/PT.BTN dated September 22, 2014 and affirmed Tangerang High Court's decision No. 447/PDT.G/2013/PN.TNG dated May 14, 2014.

   Based on Supreme Court's decision, on December 5, 2016, the Defendants appealed for Judicial Review to Supreme 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 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, on January 19, 2016, Defendant I has filed cassation to the Supreme Court. As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned cassation is still under review by the Supreme Court.

c. KCJA (Intervenor I) and other Defendants vs Jantje Manesah Agung (Plaintiff) in relation to land dispute over 85,940m^2 of land located in Bogor. On October 29, 2015, this claim was filed to North Jakarta District Court No.474/PDT.G/2015/PN.JKT.UTR. On April 7, 2016, KCJA has requested to intervere in this case. As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned case is still under review by the North Jakarta District Court.

d. CTDA (Defendant II), the Company (Defendant VI) and other Defendants vs H. Entjun Subari Alias Encum Alias Encun Bin H. Buyar Bin Ali (Plaintiff I) and other Plaintiffs in relation to land dispute over 39,040m^2 of land located in East Jakarta. On January 14, 2016, the mentioned claim was filed to East Jakarta District Court No.28/Pdt.G/2016/PN.Jkt.Tim. On August 02, 2016, East Jakarta District Court issued a judgement to refuse Plaintiff's claim. As of the date regulated by laws, the Plaintiff has not filed an appeal.

38. LITIGATIONS (continued)

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

e. CTDA (Defendant II), the Company (Defendant VI) and other Defendants vs Dani Bin Djukih Alias Djuki Alias Djukin Bin Saudin Alias Milan (Plaintiff I) and 18 other Plaintiffs in relation to land dispute over 24,480m^2 of land located in East Jakarta. On January 14, 2016, the mentioned claim was filed to East Jakarta District Court No.29/Pdt.G/2016/PN.Jkt.Tim. On September 6, 2016, East Jakarta District Court issued a judgement to refuse Plaintiff's claim. As of the date regulated by laws, the Plaintiff has not filed an appeal.

f. JVOP (Defendant IV), Dandan Jaya Kartika (Defendant II) and other Defendants vs Arief Budiono (Plaintiff) in relation to land dispute over 5,979m^2 of land located in Yogyakarta. On November 17, 2015, the Yogyakarta District Court has decided to refuse Plaintiff's claim. On November 30, 2015, the Plaintiff has filed an appeal, but on March 11, 2016, the Plaintiff has revoked the appeal, thus, the Yogyakarta District Court's decision has been legally binding.

g. MKPP (Defendant I) and other Defendants vs Heir Mrs. Tjiah Nursiah (Deceased Plaintiff) in relation to land dispute over 15,650m^2 of land located in Bandung. On February 11, 2016, Bandung District Court has decided to refuse the Plaintiff's claim. As of the date regulated by laws, the Plaintiff has not filed an appeal, thus, the Bandung District Court's decision has been legally binding.

h. PT Surya Intan Properti (SYIP) (Plaintiff) vs Adjit Dhamadi and Setiya Darma (The Defendants, now the "Convicted") in relation to an embezzlement crime committed continually related to the land acquisition in Tangerang. On December 18, 2014, the Tangerang District Court has made a decision, affirming the Convicted proven guilty and sentenced to imprisonment for 3 years and 6 months. On December 22, 2014, the convicted Setiya Darma filed an appeal to the Banten High Court. On January 23, 2015, the Banten High Court has upheld the decision of the Tangerang District Court.

   Based on the Banten High Court's decision, on March 18, 2015, the convicted Setiya Darma filed cassation to the Supreme Court. On June 30, 2015, the Supreme Court decided to refuse the Convicted's cassation, thus, the Tangerang District Court's decision has been legally binding. On December 6, 2016, based on the embezzlement crime related to money laundering, the Tangerang District Court has ruled a decision, affirming the Convicted proven guilty and sentenced to imprisonment for 14 (fourteen) years. Based on mentioned decision, the Convicted has not filed an appeal, thus, the Tangerang District Court's decision has been legally binding.

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

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

39. EARNINGS PER SHARE

The details of earnings per share computation are as follows:

	Year ended December 31,	
	2016	**2015**
Profit for the year attributable to the owners of the Parent Entity	311,665,815	855,185,525
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)	**21.60**	**59.28**

40. NON-CASH ACTIVITIES

Supplementary information to the consolidated statement of cash flows relating to non-cash activities is as follows:

	Year ended December 31,	
	2016	**2015**
Acquisition of fixed assets and investment properties credited to:		
Other payables	76,280,015	-
Loans from banks and financing institutions	4,145,060	6,475,860
Reclassification of investment properties to:		
Fixed assets	49,121,751	12,025,906
Inventory	574,788	22,960,837
Undeveloped land	570,823	-
Capitalization of borrowing costs to:		
Fixed assets	18,334,548	-
Investment properties	18,098,384	18,030,826
Fair value adjustment of financial instrument	9,149,710	7,501,621
Reclassification of inventory to:		
Investment properties	7,433,820	4,152,049
Fixed assets	-	11,661,059
Reclassification of fixed assets to:		
Investment properties	97,706	1,769,435
Undeveloped land	43,055	-
Inventory	-	34,883
Acquisition of undeveloped land through other payables	-	95,504,500

41. SUBSEQUENT EVENTS

a. On February 10, 2017, SBPC sold it's one share ownership in JVIP to BHMS with selling price of Rp1. This matter was notarized under deed No. 20 dated February 22, 2017 of Eko Gunarto, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0080660. Year 2017 dated February 22, 2017.

b. On February 13, 2017, SMIP and SVPM sold all of 1,000,000 shares ownership in SBPC with selling price of Rp1,000,000. The 500,000 shares were sold to PT Kreasi Semesta Persada (KSP), representing 50% ownership and the other 500,000 shares were sold to PT Sari Niaga Retalindo (SNR), representing 50% ownership. This matter was notarized under deed No. 61 dated February 13, 2017 of Dewi Himijati Tandika, S.H., which was acknowledged and recorded by the MLHR in its Decision Letter No. AHU-AH.01.03-0081955. Year 2017 dated February 23, 2017.

42. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following are several accounting standards issued by the DSAK that are considered relevant to the financial reporting of the Group but not yet effective until January 1, 2017 and 2018:

- Amendment to PSAK No. 1: Presentation of Financial Statements on Disclosures Initiative.
  This amendments clarifies, rather than changes significantly the existing PSAK 1 requirements, among others, effective on January 1, 2017, including clarifies materiality, flexibility of a systematic sequence of notes to financial statements and the identification of significant accounting policies.

- Amendment to PSAK No. 2: Statement of Cash Flows on Disclosure Initiative, effective on January 1, 2018 with earlier adoption is permitted.
  This amendment requires the entities to provide disclosures that enable of financial statements users to evaluate the changes in liabilities arising from financing activities, including changes from cash flow and non-cash.

- Amendment of PSAK No. 46: The Income tax on the recognition of deferred tax assets for unrealized losses, effective on January 1, 2018 with earlier adoption is permitted.
  This amendment clarifies that in order to determine whether the taxable income will be available so that the deductible temporary differences and can be utilized. Estimation of the most likely future taxable income can include recovery of certain assets of the entity exceeds its carrying amount.

- PSAK No. 24 (2015 Improvement): Employee benefits, effective on January 1, 2017 with earlier adaption is permitted.
  This improvement clarifies that the market high of quality corporate bonds is valued by denominated bonds and not based on country in which the bonds are.

- PSAK No. 60 (2016 Improvement): Financial instrument disclosures effective on January 1, 2017 with earlier adoption is permitted.
  This improvement clarifies that an entity must assess the nature of the service contract benefits to determine whether the entity has a continuing involvement in the financial assets and whether disclosure requirements related to the continuing improvement are met.

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