PT SUMMARECON AGUNG TBK AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2018
AND FOR THE NINE-MONTHS PERIOD THEN ENDED

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PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	September 30, 2018 (unaudited)	December 31, 2017
ASSETS			
CURRENT ASSET			
Cash and cash equivalents	2d,2r,2u,4	1,537,037,037	1,482,320,678
Trade receivable	2l,2u,5,12		
Related Parties	2f,30	63,401,610	190,580,858
Third Parties		386,080,635	454,834,664
Others receivables	2u	18,212,895	15,415,576
Inventories	2g,2m,2n,6	6,993,180,125	6,498,456,658
Prepaid taxes	2t,17a	263,381,112	188,250,224
Prepaid expenses	2h	40,257,821	37,050,412
Advance payments	8	391,364,960	291,213,626
Other current financial assets	2u,11	61,438	145,869
Total current assets		**9,692,977,633**	**9,158,268,565**
NON-CURRENT ASSETS			
Trade receivables	2l,2u,5,12		
Related Parties	2f,30	3,300,000	6,179,838
Third Parties		17,077,721	33,573,746
Other receivables	2u	-	347,067
Due from related parties	2f,2u,30	67,285,924	38,229,670
Undeveloped land	2i,7,12,13	6,554,820,563	6,296,152,673
Advance payments	8	985,496,239	646,016,096
Fixed assets	2j,2n,9,12	408,414,274	421,578,607
Investment properties	2k,2l,2n, 10,12,13	4,354,320,383	4,461,322,679
Deferred tax assets	2t	6,208,438	10,886,447
Other non-current financial assets	2d,2e,2u,11,12	676,491,426	419,231,273
Other non-current assets		141,661,838	170,925,330
Total non-current assets		**13,215,076,806**	**12,504,443,426**
TOTAL ASSETS		**22.908.054.439**	**21,662,711,991**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)
As of September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	September 30, 2018 (unaudited)	December 31, 2017
LIABILITIES & EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	2r,2u,12,31	1,445,889,509	905,840,236
Trade payables to third parties	2r,2u,14,31	81,226,541	80,937,455
Other payables	2r,2u,15	321,859,210	216,155,598
Due to related parties	2f,2u,30	7,396,600	125,909,333
Accrued expenses	2r,2u,16,31	951,943,737	1,195,747,002
Taxes payable	2t,17b	54,517,278	67,008,652
Liability for short-term employee benefits	2q,2u,18	29,506,037	29,264,062
Downpayments received and security deposits	2l,2u,19		
Related parties	2f,30	3,704,305	4,290,631
Third parties		901,902,620	1,815,337,793
Unearned revenues	2l,2p,20		
Related parties		18,000	-
Third parties		381,164,853	346,587,025
Current maturities of long-term debts - net:	2u,12		
Loans from banks and financing institutions	2r,31	717,252,092	591,349,578
Bonds payable and sukuk ijarah	2u,2y,13	599,529,141	897,400,302
Total current liabilities		**5,495,909,923**	**6,275,827,667**
NON-CURRENT LIABILITIES			
Long-term debts - net of current maturities:	2u,12		
Loans from banks and financing institutions	2r,31	3,344,982,864	3,203,295,476
Bonds payable and sukuk ijarah	2u,2y,13	2,389,644,492	2,385,823,569
Other payables	2u,15	63,240,865	8,518,365
Due to related parties	2f,2u,30	77,592	-
Liability for long-term employee benefits	2q,18	134,241,255	136,954,671
Downpayments received and security deposits	2l,2u,19		
Related parties	2f,30	9,473,232	9,136,083
Third parties		2,627,180,282	1,201,780,878
Unearned revenues	2l,2p,20	135,613,972	71,316,508
Other non-current financial liabilities	2u	7,842,450	12,842,450
Deferred tax liabilities	2t	2,972,683	3,474,261
Total non-current liabilities		**8,715,269,687**	**7,033,142,261**
TOTAL LIABILITIES		**14,211,179,610**	**13,308,969,928**

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 September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	September 30, 2018 (unaudited)	December 31, 2017
EQUITY			
Equity atrributable to Owners of the Parent Entity			
Capital stock:			
- Authorized - 25.000.000.000 share at par value Rp100 per share (full amount)			
- Issued and fully paid - 14.426.781.680 shares	1b,22	1,442,678,168	1,442,678,168
Additional paid-in capital	1b,2o,2x,23	22,996,315	22,996,315
Differences from transactions with Non-controlling interests	2c	1,557,398	1,557,398
Retained earnings:			
Appropriated	24	104,451,832	99,357,313
Unappropriated		5,081,251,664	4,943,312,285
Total Equity Attributable to:			
Owners Of the Parent Entity		6,652,935,377	6,509,901,479
Non-controlling interests	2c,21	2,043,939,452	1,843,840,584
TOTAL EQUITY		**8.696.874.829**	**8,353,742,063**
TOTAL LIABILITIES AND EQUITY		**22.908.054.439**	**21,662,711,991**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Nine-Months Period Ended September 30, 2018 (Unaudited)
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	September 30, 2018 (unaudited)	September 30, 2017 (unaudited)
NET REVENUES	2f,2p,26,30	4,023,093,772	3,994,613,287
COST OF SALES AND DIRECT COSTS	2p,27	(2,110,994,268)	(2,280,674,249)
GROSS PROFIT		**1,912,099,504**	**1,713,939,038**
Selling expenses	2p,28	(220,554,223)	(228,414,414)
General and administrative expenses	2p,28	(649,714,263)	(651,250,805)
Other operating income		5,169,251	3,555,367
Other operating expenses		(483,660)	(760,681)
INCOME FROM OPERATIONS		**1,046,516,609**	**837,068,505**
Finance income		50,665,191	68,330,314
Finance cost	29	(517,763,464)	(472,923,130)
PROFIT BEFORE FINAL TAX AND INCOME TAX EXPENSE		**579,418,336**	**432,475,689**
FINAL TAX EXPENSE	2t	(180,342,384)	(193,719,062)
PROFIT BEFORE INCOME TAX EXPENSE		**399,075,952**	**238,756,627**
INCOME TAX EXPENSE - NET	2t	(6,828,925)	-
PROFIT FOR THE PERIOD		**392,247,027**	**238,756,627**
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Item that will not be reclassified to profit or loss in subsequent periods:			
Gain (loss) on employee benefits liability		11,973,752	(6,878,732)
Deferred income tax		(154,105)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**404,066,674**	**231,877,895**
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the Parent Entity		203,348,159	119,444,781
Non-controlling Interests	2c,21	188,898,868	119,311,846
TOTAL		**392,247,027**	**238,756,627**

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 Nine-Months Period Ended September 30, 2018 (Unaudited)
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	September 30, 2018 (unaudited)	September 30, 2017 (unaudited)
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Parent Entity		215,167,806	112,566,049
Non-controlling Interests	2c,21	188,898,868	119,311,846
TOTAL		**404,066,674**	**231,877,895**
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY (full amount)	2v,22,35	**14**	**8**

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Nine-Months Period Ended September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2017		**1,442,678,168**	**22,996,315**	**1,557,398**	**93,398,521**	**4,682,327,842**	**6,242,958,244**	**1,922,597,241**	**8,165,555,485**
Appropriation for general reserve	**24**	-	-	-	5,958,792	(5,958,792)	-	-	-
Cash dividend	**25**	-	-	-	-	(72,133,908)	(72,133,908)	-	(72,133,908)
Payments to Non-controlling interest in subsidiaries	**21**	-	-	-	-	-	-	(335,348,255)	(335,348,255)
Capital stock increase paid by Non-controlling interests	**21**	-	-	-	-	-	-	86,216,800	86,216,800
Total comprehensive income for the year		-	-	-	-	339,077,143	339,077,143	170,374,798	509,451,941
Balance as of December 31, 2017		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,357,313**	**4,943,312,285**	**6,509,901,479**	**1,843,840,584**	**8,353,742,063**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the Nine-Months Period Ended September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2017		**1,442,678,168**	**22,996,315**	**1,557,398**	**93,398,521**	**4,682,327,842**	**6,242,958,244**	**1,922,597,241**	**8,165,555,485**
Appropriation for general reserve		-	-	-	-	5,658,792	(5,658,792)	-	-
Cash dividend	**25**	-	-	-	-	(72,133,908)	(72,133,908)	-	(72,133,908)
Payment to non-controlling interest in subsidiaries		-	-	-	-	-	-	(68,192,481)	(68,192,481)
Total comprehensive income for the period		-	-	-	-	112.566.049	112.566.049	119.311.846	231.877.895
Balance as of September 30, 2017		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,057,313**	**4,717,101,191**	**6,283,390,385**	**1,973,716,606**	**8,257,106,991**

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

PT SUMMARECON AGUNG Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
For the Nine-Months Period Ended September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

		Equity Attributable to Owner of the Parent Entity							
					Retained Earnings				
	Notes	Issued and fully paid capital stock	Additional paid-in capital	Differences from transactions with non-controlling Interests	Appropriated - reserved fund	Unappropriated	Total	Non-controlling interests	Total equity
Balance as of January 1, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**99,357,313**	**4,943,312,285**	**6,509,901,479**	**1,843,840,584**	**8,353,742,063**
Appropriation for general reserve	**24**	-	-	-	5,094,519	(5,094,519)	-	-	-
Cash dividend	**25**	-	-	-	-	(72,133,908)	(72,133,908)	-	(72,133,908)
Payment to non-controlling interest in subsidiaries	**21**	-	-	-	-	-	-	(79,450,000)	(79,450,000)
Capital stock increase paid by Non-controlling interests	**21**	-	-	-	-	-	-	90,650,000	90,650,000
Total comprehensive income for the period		-	-	-	-	215,167,806	215,167,806	188,898,868	404,066,674
Balance as of September 30, 2018		**1,442,678,168**	**22,996,315**	**1,557,398**	**104,451,832**	**5,081,251,664**	**6,652,935,377**	**2,043,939,452**	**8,696,874,829**

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 Nine-Months Period Ended September 30, 2018
(Expressed in thousands of Indonesian Rupiah, unless otherwise stated)

	Notes	For the Nine-months Period Ended September 30, 2018 (unaudited)	2017 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		4,687,535,192	4,064,767,150
Receipts of interest income		46,270,209	69,228,024
Cash payments to:			
Suppliers and for other operating expenses		(3,088,982,000)	(2,948,038,115)
Employees		(476,343,840)	(463,419,839)
Payments of:			
Interest expense		(494,428,349)	(445,486,238)
Final tax		(198,090,470)	(166,418,245)
Income taxes		(4,904,512)	(6,479,163)
Net cash provided by operating activities		**471,056,230**	**104,153,574**
CASH FLOW FROM INVESTING ACTIVITIES			
Acqusitions of undeveloped land		(604,684,368)	(330,366,962)
Acquisitions of fixed assets and investment properties		(96,840,424)	(172,517,385)
Decrease (increase) due from related parties		(29,056,254)	25,621,793
Proceeds from sales of fixed assets and investment properties	9,10	1,907,345	1,444,881
Net cash used in investing activities		**(728,673,701)**	**(475,817,673)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds of bank loans		2,196,959,387	2,018,274,433
Capital contribution from non-controlling interests in subsidiaries		90,650,000	-
Drawdown of (placement for) restricted time deposits		8,868,217	5,777,431
Payment of bank loans and financing institutions	12	(1,414,248,550)	(1,945,351,101)
Payments of bonds payable		(300,000,000)	-
Receipt (payment) of due to related parties		(118,435,140)	33,277,443
Payment to non-controlling interests		(79,450,000)	(68,192,481)
Cash dividends paid by the Company		(72,010,084)	(72,127,969)
Net cash provided by (used in) financing activities		**312,333,830**	**(28,342,244)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**54,716,359**	**(400,006,343)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4	1,482,320,678	2,076,201,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4	**1,537,037,037**	**1,676,195,073**

1. GENERAL

a. The Company's Establishment

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

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

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

The Company started commercial operations in 1976.

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

b. The Company's Public Offerings

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

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

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

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

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

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

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

a. **GENERAL (CONTINUED)**

b. The Company's Public Offerings (continued)

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

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

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

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

The composition of the Company's Boards of Commissioners and Directors as of September 30, 2018 was as follows:

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

The composition of the Company's Boards of Commissioners and Directors as of December 31, 2017 was as follows:

Board of Commissioners			Board of Directors		
President Commissioners	:	Soetjipto Nagaria	President Director	:	Adrianto Pitoyo Adhi
Commissioners	:	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
			Unaffiliated Director	:	Ge Lilies Yamin

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

b. **GENERAL (CONTINUED)**

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

The composition of the Company's Audit Committee as of September 30, 2018 and December 31, 2017 was as follows :

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

Salaries and others allowances for Board of Commissioners and Directors were as follows Rp32,379,527 and Rp43,001,136 for the nine-months period ended September 30, 2018 and 2017.

The Group had 2,411 and 2,407 permanent employees as of September 30, 2018 and December 31, 2017.

d. Structure of the Company's Subsidiaries

As of September 30, 2018 and December 31, 2017, The Company had direct and indirect ownership in the following Subsidiaries:

				Percentage of Ownership (%)		Total Assets Before Elimination	
Name of Subsidiaries	**Domicile**	**Principal Activity**	**Start of Operations**	**September 30, 2018**	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Direct Subsidiaries							
PT Bahagia Makmursejati (BHMS)	Jakarta	Property Development	2003	99.99	99.99	18,494,498	18,474,258
PT Serpong Cipta Kreasi (SPCK)	Tangerang	Property Development	2004	100.00	100.00	6,213,254,752	5,970,150,441
PT Anugerah Damai Abadi (AGDA)	Tangerang	Retail Food and Beverages	2007	100.00	100.00	5,962,105	5,858,994
PT Gading Orchard (GDOR)	Jakarta	Property Development	2008	100.00	100.00	44,814,668	43,417,854
PT Summarecon Property Development (SMPD)	Jakarta	Property Development	2012	100.00	100.00	8,134,828,379	6,828,879,964
PT Summarecon Investment Property (SMIP)	Jakarta	Investment Property	2012	100.00	100.00	4,309,043,505	4,327,159,676
PT Multi Abadi Prima (MTAP)	Jakarta	Gas Station	2013	100.00	100.00	11,390,777	12,081,197
PT Bhakti Karya Sejahtera (BTKS)	Jakarta	Education	2013	100.00	100.00	84,986,041	84,914,855
PT Citra Damai Agung (CTDA)	Jakarta	Property Development	2014	100.00	100.00	39,954,277	39,910,974
PT Bhakti Karya Bangsa (BTKB)	Tangerang	Education	2016	80.00	80.00	26,894,138	16,128,050
PT Sagraha Mitraloka Elok (SGME)	Jakarta	Trading	2017	100.00	100.00	19,364,341	5,766,777
PT Java Investama Properti (JVIP)	Jakarta	Investment Property	-	100.00	100.00	15,091,209	15,095,391
PT Setia Mitra Intifajar (SMIF)	Jakarta	Property Development	-	100.00	100.00	2,094,710	2,542,910

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

1. GENERAL (CONTINUED)

d. Structure of the Company's Subsidiaries

As of September 30, 2018 and December 31, 2017, The Company had direct and indirect ownership in the following Subsidiaries:

				Percentage of Ownership (%)		Total Assets Before Elimination	
Name of Subsidiaries	**Domicile**	**Principal Activity**	**Start of Operations**	**September 30, 2018**	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Indirect Subsidiaries through SMPD							
PT Eskage Tatanan Kota (EKTK)	Jakarta	Town Management	2009	100.00	100.00	4,533,788	5,295,926
PT Bekasi Tatanan Kota (BKTK)	Bekasi	Town Management	2012	100.00	100.00	18,972,567	15,318,773
PT Mahkota Permata Perdana (MKPP)	Bandung	Property Development	2015	100.00	100.00	3,685,334,025	2,810,697,400
PT Maju Lestari Properti (MJLP)	Jakarta	Property Development	-	100.00	100.00	37,310,354	37,261,640
PT Inovasi Jaya Properti (IVJP)	Jakarta	Property Development	-	100.00	100.00	1,149,480,247	1,099,010,427
PT Mahkota Intan Cemerlang (MKIC)	Jakarta	Property Development	-	100.00	100.00	417,557,415	411,427,568
PT Banyumas Eka Mandiri (BYEM)	Jakarta	Property Development	-	100.00	100.00	289,400,076	281,299,160
PT Aruna Cahaya Abadi (ARCA)	Jakarta	Property Development	-	100.00	100.00	72,087,880	71,969,076
PT Selaras Maju Mandiri (SLMM)	Jakarta	Property Development	-	100.00	100.00	1,083,636,154	1,119,448,920
PT Orient City (ORCT)	Jakarta	Property Development	-	100.00	100.00	1,798,018	2,160,936
PT Bumi Perintis Asri (BMPA)	Tangerang	Property Development	-	100.00	100.00	62,542,517	62,435,975
PT Duta Sumara Abadi (DTSA)	Jakarta	Property Development	-	51.00	51.00	350,250,830	339,392,004
PT Sinar Mahakam Indah (SNMI)	Samarinda	Property Development	-	85.44	85.44	39,146,431	41,087,377
PT Sinar Semesta Indah (SNSI)	Tangerang	Property Development	-	100.00	100.00	746,812	748,299
PT Wahyu Kurnia Sejahtera (WYKS)	Jakarta	Property Development	-	100.00	100.00	192,014,503	183,867,116
PT Kahuripan Jaya Mandiri (KHJM)	Jakarta	Property Development	-	51.00	51.00	50,395,900	50,411,672
PT Gunung Suwarna Abadi (GNSA)	Jakarta	Property Development	-	51.00	51.00	220,149,035	184,282,151
PT Taruna Maju Berkarya (TRMB)	Jakarta	Property Development	-	100.00	100.00	3,916,295	3,807,454
PT Gunung Srimala Permai (GNSP)	Jakarta	Property Development	-	51.00	51.00	183,839,580	176,831,839
PT Sunda Besar Properti (SDBP)	Bandung	Property Development	-	100.00	100.00	1,178,979	1,152,302
PT Maju Singa Parahyangan (MJSP)	Bandung	Property Development	-	100.00	100.00	1,178,986	1,152,309
PT Surya Mentari Diptamas (SYMD)	Jakarta	Property Development	-	51.00	51.00	2,985,754	2,885,914
PT Surya Menata Elokjaya (SYME)	Jakarta	Property Development	-	100.00	100.00	3,178,823	3,075,757

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

1. GENERAL (CONTINUED)

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

As of September 30, 2018 and December 31, 2017, The Company had direct and indirect ownership in the following Subsidiaries: (continued)

				Percentage of Ownership (%)		Total Assets Before Elimination	
Name of Subsidiaries	**Domicile**	**Principal Activity**	**Start of Operations**	**September 30, 2018**	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Indirect Subsidiaries through SMPD (continued)							
PT Kencana Jayaproperti Agung (KCJA)	Jakarta	Property Development	-	51.00	51.00	379.902.932	293.316.696
PT Kencana Jayaproperti Mulia (KCJM)	Jakarta	Property Development	-	51.00	51.00	182.071.135	188.655.562
PT Sinergi Mutiara Cemerlang (SGMC)	Makassar	Property Development	-	54.00	51.00	652.626.912	578.301.005
PT Sukmabumi Mahakam Jaya (SBMJ)	Jakarta	Property Development	-	100.00	100.00	1.009.149	995.812
PT Bintang Mentari Indah (BNMI)	Maros	Property Development	-	100.00	100.00	275.756.896	386.175.872
PT Bandung Tatanan Kota (BDTK)	Bandung	Town Management	-	100.00	100.00	4.789.923	2.498.829
PT Summa Sinar Fajar (SMSF)	Bekasi	Property Development	-	51,00	-	184.975.377	-
PT Karawang Tatanan Kota (KRTK)	Karawang	Town Management	-	100.00	-	2.501.940	-
Indirect Subsidiaries through SMIP							
PT Lestari Mahadibya (LTMD)	Tangerang	Investment Property	2006	100.00	100.00	1,095,128,921	1,097,777,885
PT Summerville Property Management (SVPM)	Jakarta	Property Management	2007	100.00	100.00	5,543,242	3,770,002
PT Summarecon Hotelindo (SMHO)	Jakarta	Hotel	2010	100.00	100.00	116,614,761	127,533,876
PT Makmur Orient Jaya (MKOJ)	Bekasi	Investment Property	2013	100.00	100.00	926,389,129	864,335,137
PT Kharisma Intan Properti (KRIP)	Tangerang	Investment Property	2013	100.00	100.00	201,388,593	204,342,708
PT Dunia Makmur Properti (DNMP)	Jakarta	Investment Property	2015	100.00	100.00	111,812,035	115,094,490
PT Summarecon Bali Indah (SMBI)	Jakarta	Investment Property	2016	100.00	100.00	1,310,981,467	1,361,294,326
PT Permata Jimbaran Agung (PMJA)	Badung	Investment Property	2016	59.40	59.40	817,817,322	868,815,246
PT Pradana Jaya Berniaga (PDJB)	Badung	Retail, Food & Beverages	2016	100.00	100.00	5,515,927	4,048,875
PT Hotelindo Permata Jimbaran (HOPJ)	Badung	Hotel	2017	59.40	59.40	313,915,765	344,170,951
PT Seruni Persada Indah (SRPI)	Jakarta	Investment Property	-	100.00	100.00	1,129,015	1,101,406
PT Bali Indah Development (BLID)	Badung	Investment Property	-	100.00	100.00	157,233,025	168,883,813
PT Bali Indah Property (BLIP)	Badung	Investment Property	-	100.00	100.00	3,756,489	3,762,623
PT Bukit Jimbaran Indah (BKJI)	Badung	Property Development	-	100.00	100.00	649,715	633,183
PT Bukit Permai Properti (BKPP)	Badung	Property Development	-	100.00	100.00	485,066,593	484,956,625
PT Nirwana Jaya Semesta (NWJS)	Jakarta	Hotel	-	100.00	100.00	13,313,723	13,309,056
PT Sadhana Bumi Jayamas (SDBJ)	Jakarta	Investment Property	-	100.00	100.00	82,301,121	81,491,083

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

1. GENERAL (CONTINUED)

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

As of September 30, 2018 and December 31, 2017, The Company had direct and indirect ownership in the following Subsidiaries: (continued)

Name of Subsidiaries	Domicile	Principal Activity	Start of Operations	Percentage of Ownership (%) September 30, 2018	Percentage of Ownership (%) December 31, 2017	Total Asset Before Elimination September 30, 2018	Total Asset Before Elimination December 31, 2017
Indirect Subsidiaries through SMIP (continued)							
PT Unota Persadajaya (UNPS)	Jakarta	Investment Property	-	100.00	100.00	145,048,453	145,067,257
PT Java Orient Properti (JVOP)	Yogyakarta	Hotel	-	90.00	90.00	151,293,869	151,112,332
PT Mahakarya Buana Damai (MKBD)	Bandung	Investment Property	-	100.00	100.00	164,783,550	156,091,482
PT Hotelindo Saribuana Damai (HSBD)	Bandung	Hotel	-	100.00	100.00	240,701	240,406
PT Hotelindo Java Properti (HIJP)	Yogyakarta	Hotel	-	100.00	100.00	235,800	235,564
PT Hotelindo Cahaya Gemilang (HICG)	Jakarta	Hotel	-	100.00	100.00	240,662	239,511
PT Maha Karya Reksawarga (MKRW)	Karawang	Investment Property	-	100.00	100.00	33,299,262	4,339,914
Indirect Subsidiaries through SPCK							
PT Serpong Tatanan Kota (STTK)	Tangerang	Town Management	2010	100.00	100.00	71,045,139	54,331,311
PT Bhakti Karya Vita (BTKV)	Tangerang	Hospital	2011	60.00	60.00	55,162,452	59,416,846
PT Jaya Bangun Abadi (JYBA)	Tangerang	Property Development	-	100.00	100.00	90,405,139	90,584,414
PT Permata Cahaya Cemerlang (PMCC)	Tangerang	Property Development	-	100.00	100.00	329,246,233	331,254,270
PT Surya Intan Properti (SYIP)	Tangerang	Property Development	-	100.00	100.00	153,223,207	152,226,380
PT Mahkota Berlian Indah (MKBI)	Tangerang	Property Development	-	100.00	100.00	91,554,265	89,931,840
PT Mahkota Permata Indah (MKPI)	Tangerang	Property Development	-	100.00	100.00	83,221,024	83,268,058
Indirect Subsidiaries through SMIF							
PT Jejaring Ultra Prima (JJUP)	Jakarta	Infrastructure Development	-	100.00	100.00	2,054,781	2,499,203

In 2018, the Company established new Subsidiaries, which are PT Summa Sinar Fajar (SMSF) and PT Karawang Tatanan Kota (KRTK).

As of September 30, 2018, JVIP, SMIF, 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, BDTK, SMSF, KRTK, SRPI, BLID, BLIP, BKJI, BKPP, NWJS, SDBJ, UNPS, JVOP, MKBD, HSBD, HIJP, HICG, MKRW, JYBA, PMCC, SYIP, MKBI, MKPI and JJUP have not started commercial operations.

1. GENERAL (CONTINUED)

e. 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 October 30, 2018, as previously reviewed and recommended for authorization by the Audit Committee of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

The consolidated financial statements have been prepared and presented in accordance with 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.

b. Changes in accounting policies

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 2018:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Changes in accounting policies

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 2018: (continued)

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

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

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

c. Principles of consolidation

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

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
a) The contractual arrangement with the other vote holders of the investee
b) Rights arising from other contractual arrangements
c) The Group's voting rights and potential voting rights.

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

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Principles of consolidation (continued)

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

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

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

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

d. Cash equivalents

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

e. Restricted funds

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

f. Transactions with related parties

A related party is a person or entity that is related to the Group.
a. A person or a close member of that person's family is related to the Group. if that person;
   (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. An entity is related to the Group if any of the following conditions applies:
   (i) 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;
   (ii) the party is an associate of the Group;
   (iii) the party is a joint venture in which the Group is a venturer;
   (iv) the party is a member of the key management personnel of the Group;
   (v) the party is a close member of the family of any individual referred to in (a) or (d);

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Transactions with related parties (continued)

b. An entity is related to the Group if any of the following conditions applies: (continued)

(vi) 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,

(vii) 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 30.

g. Inventories

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

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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
Vehicle	5-10
Furniture and office equipment	2-5

Land is stated at cost and is not depreciated.

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

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

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

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

k. Investment properties

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Investment properties (continued)

Investment properties consist of land, building and infrastructures, machinery and heavy equipment, hotel facilities and furniture and office equipment held by the Group to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

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

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

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

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

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

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

l. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. A lease that transfers substantially to the lessee all the risks and rewards incidental to ownership of the leased asset is classified as a finance lease.

Consequently, a lease is classified as an operating lease, if the lease does not transfer substantially all the risks and rewards incidental to ownership.

The Group as lessee

At the commencement of the lease term, a lessee recognizes finance lease as an asset and a liability in its consolidated statements of financial position at an amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. Finance charges are reflected in the consolidated statements of profit or loss and other comprehensive income.

Leased asset held by the lessee under a finance lease is depreciated consistently using the same method used with that for depreciable assets that are directly owned, or is fully depreciated over the shorter of the lease term and its useful life, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l. Leases (continued)

Leases which do not transfer substantially all the risks and rewards incidental to ownership are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statements of profit or loss and other comprehensive income on a straight-line basis over the lease term.

The Group as lessor

The Group recognizes an asset held under a finance lease in its consolidated statement of financial position and presents it as a receivable at an amount equal to the net investment in the lease. Lease receivable is treated as repayment of principal and finance income. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

The Group presents an asset subject to operating leases in its consolidated statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on a straight-line 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 recognized in accordance with PSAK No. 30 (Revised 2011) and foreign exchange differences arising from foreign currency borrowings to the extent that they are regarded as adjustment to interest costs.

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

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

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

n. Impairment of non-financial asset value

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Impairment of non-financial asset value (continued)

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

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

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

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

o. Stock issuance costs

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

p. Revenue and expense recognition

Revenues from real estate sales are recognized as follows:

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Revenue and expense recognition (continued)

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

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

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

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

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

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

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

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

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

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

q. Employee benefits

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

Post-employment benefits

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Transactions in other foreign currencies are considered not significant.

s. Provisions

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

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

t. Income tax

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

t. Income tax (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments

i. Financial assets

Initial Recognition

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

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

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

Subsequent Measurement

- Loans and receivables

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

  As of September 30, 2018, 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.

- Available-For-Sale (AFS) financial assets

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

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

Derecognition of financial asset

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

i. Financial assets

Derecognition of financial asset

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

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

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

i. Financial assets (continued)

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

- Financial assets carried at amortized cost

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

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

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

  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 September 30, 2018, the Group has determined that short-term bank loans, trade payables to third parties, other payables, due to related parties, accrued expenses, liability for short-term employee benefits, downpayment received and downpayment received and security deposits – customer deposits, long-term debts, bonds payable and sukuk ijarah and other non-current financial liabilities are categorized as financial liabilities at amortized cost.

Subsequent Measurement

- Financial liabilities at amortized cost

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

iii. Financial liabilities (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u. Financial instruments (continued)

ii. Financial liabilities (continued)

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. Earning per share

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

w. Operating Segments

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

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

x. Business combination of entities under common control

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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

Judgments (continued)

- *Valuation of property*

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

- *Operating lease contracts - the Group as lessor*

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

Estimates and Assumptions

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

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

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

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

- *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.

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

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

Estimates and Assumptions (continued)

- *Estimation of pension cost and other employee benefits (continued)*

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

- *Uncertain tax exposure*

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	September 30, 2018	December 31, 2017
Cash on hand		
Rupiah	7,548,994	5,979,587
Foreign currencies	468,764	399,526
Total cash on hand	8,017,758	6,379,113
Bank		
Rupiah		
PT Bank Central Asia Tbk	417,777,615	486,735,961
PT Bank Permata Tbk	338,277,820	303,723,920
PT Bank Mandiri (Persero) Tbk	68,072,506	78,109,266
PT Bank CIMB Niaga Tbk	29,685,553	24,268,712
PT Bank OCBC NISP Tbk	20,588,640	34,199,129
Others (each below Rp20,000,000)	42,065,752	110,006,936
Other Currencies		
PT Bank Permata Tbk	52,048,516	61,476,044
PT Bank Central Asia Tbk	19,060,780	8,165,788
Others (each below Rp10,000,000)	5,522,692	5,980,040
Total bank	993,099,874	1,112,665,796

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

4. CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents consist of the following:

	September 30, 2018	December 31, 2017
Time deposits		
Rupiah		
PT Bank Permata Tbk	280,913,804	157,806,285
PT Bank Central Asia Tbk	210,893,331	109,306,821
Others (each below Rp20,000,000)	37,980,130	66,161,415
United States dollar		
Others (each below Rp5,000,000)	6,132,140	10,001,248
Total time deposits	535,919,405	363,275,769
Total cash and cash equivalents	**1,537,037,037**	**1,482,320,678**

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

	September 30, 2018	December 31, 2017
Rupiah	5.25% - 7.00%	4.25%-8.50%
United States dollar	1.50% - 2.00%	0.35%-0.85%

As of September 30, 2018, cash on hand is covered by insurance against theft and other risks with PT Asuransi FPG Indonesia, PT Asuransi Asoka Mas, PT Asuransi Allianz Utama Indonesia dan PT Asuransi ACE, all third parties, with total coverage of Rp46.450.000 (2017: Rp48.968.500). 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 of loss and other comprehensive income as part of "Finance Income".

All cash in banks and time deposits are placed in third-party banks. As of September 30, 2018 and December 31, 2017, no cash and cash equivalents pledged as collateral of loans.

5. TRADE RECEIVABLES

The details of trade receivables are as follows:

	September 30, 2018	December 31, 2017
Related parties (Note 30)		
Sale of houses, shops and landplots	64,251,670	190,050,477
Sale of apartments	1,588,760	1,814,380
Rental of retail and commercial investment properties	861,180	4,847,113
Hotel services	-	48,726
Sub-total	66,701,610	196,760,696

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

5. TRADE RECEIVABLES (CONTINUED)

The details of trade receivables are as follows:

	September 30, 2018	December 31, 2017
Third parties		
Sale of apartments	159,497,180	173,823,406
Sale of houses, shops and landplots	149,395,758	236,708,591
Rental of retail and commercial investment properties	40,597,423	38,882,295
Hotel services	19,267,433	8,073,697
Rental of residential and office investment properties	4,189,886	3,373,381
Monthly membership fees in sports club	998,872	1,057,600
Others	29,211,804	26,489,440
Sub-total	403,158,356	488,408,410
Total trade receivables	**469,859,966**	**685,169,106**
Less of current maturities	(449,482,245)	(645,415,522)
Long term portion	**20,377,721**	**39,753,584**

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

As of September 30, 2018 and December 31, 2017, no trade receivables from thrird parties belonged to specific subsidiaries are pledged as collateral for loans payable to BCA (Note 12).

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

6. INVENTORIES

	September 30, 2018	December 31, 2017
Inventories consist of:		
Inventories available for sale:		
Houses	891,592,511	86,797,700
Landplots	113,752,870	133,513,828
Shops	49,277,623	71,580,534
Total inventories available for sale	1,054,623,004	291,892,062
Inventories under construction:		
Buildings	3,110,393,674	3,026,527,648
Landplots	1,425,948,887	1,509,283,567
Apartments	1,338,366,219	1,618,829,371
Total inventories under construction	5,874,708,780	6,154,640,586

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

6. INVENTORIES (CONTINUED)

	September 30, 2018	December 31, 2017
Others	63,848,341	51,924,010
Total inventories	**6,993,180,125**	**6,498,456,658**

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

	September 30, 2018	December 31, 2017
Beginning balance	4,645,357,019	3,916,891,614
Production costs	1,785,241,180	2,533,499,839
Transfer to buildings and apartments inventories available for sale	(1,981,838,306)	(1,805,034,434)
Ending balance	**4,448,759,893**	**4,645,357,019**

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

	September 30, 2018	December 31, 2017
Beginning balance:		
Houses	86,797,700	110,352,874
Shops	71,580,534	19,140,173
Transfer from buildings and apartments inventories under construction	1,981,838,306	1,805,034,434
Cost of sales (Note 27):		
Apartments	(636,160,118)	(1,262,153,408)
Houses	(537,879,448)	(423,973,972)
Shops	(25,306,840)	(90,021,867)
Ending balance	**940,870,134**	**158,378,234**

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

	September 30, 2018	December 31, 2017
Inventories available for sale:		
Houses	290,623,078	85,912,416
Landplots	108,638,053	76,150,297
Shops	49,277,623	9,165,587
Total inventories available for sale	**448,538,754**	**171,228,300**
Inventories under construction:		
Buildings	2,194,446,968	3,002,986,466
Landplots	1,163,278,211	1,129,797,187
Total	**3,806,263,933**	**4,304,011,953**

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

6. INVENTORIES (CONTINUED)

The downpayments received related to the above-mentioned inventories as of September 30, 2018 amounting to Rp3,368,459,160 (2017: Rp2,877,363,879) are presented as Deposits Received in the consolidated statement of financial position and as part of “Downpayments Received from Sale” in Note 19.

As of September 30, 2018, inventories amounted to Rp440,395,863 used as collateral for loans payable BCA (2017: Rp531,019,585).

As of September 30, 2018, borrowing costs which were capitalized to inventories amounted to Rp127,519,653 (2017: Rp176,863,119).

As of September 30, 2018, houses, shops and apartment inventories are covered by insurance against fire and other risks with PT AIG Insurance Indonesia, PT Asuransi AXA Indonesia, PT ACE Jaya Proteksi, PT Asuransi FPG Indonesia, PT Asuransi Mitra Artha Guna, PT China Taiping Insurance Indonesia, PT Zurich Insurance Indonesia, PT Asuransi Allianz Utama Indonesia dan PT Asuransi Central Asia,, all third parties, with total coverage of Rp2,587,755,152 and US$41,101,801 (2017: Rp2,279,289,109 and US$30,970,030). The Group’s management is of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

As of September 30, 2018, revenue from property development presented as part of net revenues in the consolidated statements of profit or loss and other comprehensive income amounted to Rp2,421,822,546 (2017: Rp2,531,761,019) (Note 26).

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

7. UNDEVELOPED LAND

The details of undeveloped land are as follows:

	September 30, 2018		December 31, 2017	
Location	**Area (m^2)**	**Amount**	**Area (m^2)**	**Amount**
Summarecon Serpong	3,032,190	1,151,672,039	3,065,268	1,094,148,696
Summarecon Bekasi	4,037,938	1,064,316,971	3,915,378	1,013,645,875
Summarecon Bandung	3,330,120	1,705,129,047	3,294,420	1,617,374,289
Summarecon Karawang	377,615	309,268,189	229,976	277,465,135
Makassar	3,315,153	801,118,411	3,652,485	778,395,950
Bogor	4,210,759	794,876,415	4,250,662	787,039,412
Others	2,176,932	728,439,491	2,218,403	728,083,316
Total undeveloped land	**20,480,707**	**6,554,820,563**	**20,626,592**	**6,296,152,673**

The status of ownership of undeveloped land is as follows:

	September 30, 2018	December 31, 2017
Status	**Area (m^2)**	**Area (m^2)**
Land certificates already issued	11,007,708	10,438,042
Released rights	9,472,999	10,188,550
Total	**20,480,707**	**20,626,592**

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.

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

7. UNDEVELOPED LAND (CONTINUED)

As of September 30, 2018 and December 31, 2017, undeveloped land with total area 1,563,969 m^2 with carrying value amounted Rp685,741,175 and 898,627 m^2 with carrying value amounted to Rp292,081,458 are used as collateral for loans from banks, 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 13).

No borrowing costs have been capitalized to undeveloped land as of September 30, 2018 and December 31, 2017.

8. ADVANCE PAYMENTS

This account consists of payments for:

	September 30, 2018	December 31, 2017
Current advance payments:		
Purchase of construction materials	243,842,522	160,388,647
Sales commission	88,725,495	85,925,629
Others	58,796,943	44,899,350
Total current advance payments	391,364,960	291,213,626
Non-current advance payments:		
Purchase of:		
Land	960,891,185	619,874,707
Fixed assets and investment properties	17,438,232	18,974,567
Others	7,166,822	7,166,822
Total non-current advance payments	985,496,239	646,016,096
Total advance payments	**1,376,861,199**	**937,229,722**

9. FIXED ASSETS

	September 30, 2018				
	Balance as of January 1, 2018	Additions	Deductions	Reclass-ification	Balance as of September 30, 2018
Cost					
Direct Ownership					
Land	20,698,962	-	-	-	20,698,962
Building and infrastructure	313,326,822	4,988,315	61,188	571,245	318,825,194
Machinery and heavy equipment	89,707,113	3,252,468	-	-	92,959,581
Vehicles	115,284,573	7,092,747	6,254,913	-	116,122,407
Furniture and office equipment	464,534,856	22,064,518	255,630	-	486,343,744
Sub total	1,003,552,326	37,398,048	6,571,731	571,245	1,034,949,888

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

9. FIXED ASSETS (CONTINUED)

	September 30, 2018				
	Balance as of January 1, 2018	Additions	Deductions	Reclass-ification	Balance as of September 30, 2018
Construction in progress	10,673,563	12,517,483	-	9,625,043	32,816,089
Total cost	**1,014,225,889**	**49,915,531**	**6,571,731**	**10,196,288**	**1,067,765,977**
Accumulated depreciation					
Direct Ownership					
Building and infrastructure	138,944,863	9,902,729	-	-	148,847,592
Machinery and heavy equipment	32,134,152	6,208,303	-	310,414	38,652,869
Vehicles	81,676,980	10,195,560	6,130,401	-	85,742,139
Furniture and office equipment	339,891,287	46,779,295	251,065	(310,414)	386,109,103
Total accumulated depreciation	592,647,282	73,085,887	6,381,466	-	659,351,703
Net book value	**421,578,607**				**408,414,274**

	December 31, 2017				
	Balance as of January 1, 2017	Additions	Deductions	Reclass-ification	Balance as of December 31, 2017
Cost					
Direct Ownership					
Land	20,698,962	-	-	-	20,698,962
Building and infrastructure	308,992,180	10,786,135	1,753,777	(4,697,716)	313,326,822
Machinery and heavy equipment	73,057,463	9,078,699	-	7,570,951	89,707,113
Vehicles	107,936,828	17,432,850	10,085,105	-	115,284,573
Furniture and office equipment	435,566,280	35,209,004	3,149,722	(3,090,706)	464,534,856
Sub total	946,251,713	72,506,688	14,988,604	(217,471)	1,003,552,326
Construction in progress	9,576,102	7,708,404	-	(6,610,943)	10,673,563
Total cost	**955,827,815**	**80,215,092**	**14,988,604**	**(6,828,414)**	**1,014,225,889**
Accumulated depreciation					
Direct Ownership					
Building and infrastructure	126,468,382	14,864,911	587,236	(1,801,194)	138,944,863
Machinery and heavy equipment	25,178,696	9,367,336	-	(2,411,880)	32,134,152
Vehicles	76,933,224	14,160,157	9,416,401	-	81,676,980
Furniture and office equipment	275,904,201	65,690,813	1,430,993	(272,734)	339,891,287

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

9. FIXED ASSETS (CONTINUED)

	December 31, 2017				
	Balance as of January 1, 2017	Additions	Deductions	Reclass- ification	Balance as of December 31, 2017
Total accumulated depreciation	504,484,503	104,083,217	11,434,630	(4,485,808)	592,647,282
Net book value	**451,343,312**				**421,578,607**

Depreciation was charged to the following:

	September 30, 2018	September 30, 2017
General an administrative expenses (Note 28)	65,965,952	67,666,662
Cost of sales and direct costs	7,119,935	7,652,685
Total	**73,085,887**	**75,319,347**

The details of sales of fixed assets are as follows:

	September 30, 2018	September 30, 2017
Cost	6,510,542	8,257,303
Accumulated depreciation	(6,381,465)	(7,603,858)
Net book value	129,077	653,445
Selling price	1,907,345	1,444,881
Gain on sales of fixed assets - net	**1,778,268**	**791,436**

As of September 30, 2018, the Company disposed certain of its fixed assets with net book value of Rp61,188 (2017: Rp2,129,952).

The details of construction in progress are as follows:

	September 30, 2018		December 31, 2017	
	Total	Percentage of commpletion (%)	Total	Percentage of commpletion (%)
Ruko Kantor Proyek dan Kantor Summarecon Bandung	13,150,046	99,00	6,859,085	31.34
Others	19,666,043	-	3,814,478	-
Total construction in progress	**32,816,089**		**10,673,563**	

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

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

9. FIXED ASSETS (CONTINUED)

Below are the estimated completion date for the construction in progress as of September 30, 2018:

	Estimated Completion Dates
Ruko Kantor Proyek dan Kantor Summarecon Bandung	December 2018

As of September 30, 2018, the reclassification from construction in progress to fixed assets amounting to Rp230,335 (2017: Rp6,610,943).

As of September 30, 2018, the reclassifications of fixed assets with net book value amounting to Rp0 (2017: Rp10,018,147) to investment properties was due to the change in management's intention on the use of the related assets (Note 10).

As of September 30, 2018, the reclassifications of fixed assets with net book value amounting to Rp1,031,442 (2017: Rp2,471,757) to inventories was due to the change in management's intention on the use of the related assets (Note 6).

As of September 30, 2018, the reclassification of fixed assets with net book value amounting to Rp11,227,731 (2017: Rp13,787,428) from inventories was due to the change in management's intention on the use of the related assets (Note 6).

As of September 30, 2018, the reclassification from fixed assets with net book value amounting to Rp0 (2017: Rp3,640,130) to advance.

As of September 30, 2018, fixed assets, except land, are covered by insurance against fire, flood and other risks (all-risks) under blanket policies with several companies, including PT Asuransi Allianz Utama Indonesia, PT AIG Insurance Indonesia, PT Asuransi Central Asia, PT Chubb General Insurance Indonesia, PT KSK Insurance Indonesia, PT KSK Insurance Indonesia, PT Asuransi Sinarmas dan PT Asuransi Bintang, all third parties, for US$30,174,695 and Rp219,422,537 (2017: US$22,591,261 and Rp228,628,339).

As of September 30, 2018, fixed assets with net book value Rp50,402,547 (2017: Rp52,696,804) are used as collateral for the loans from banks and financing institutions (Note 12).

The fair value of the fixed assets as of September 30, 2018 amounting to Rp780,178,000 (2017: Rp780,178,000) was determined by independent appraisers KJPP Hendra, Widjaja, Robinson and Partners in its report dated March 22, 2018.

Based on the Group's assessments, there were no events or changes in circumstances which indicated an impairment in the value of fixed assets as of September 30, 2018.

10. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	September 30, 2018				
	Balance as of January 1, 2018	Additions	Deductions	Reclass-ification	Balance as of September 30, 2018
Cost					
Direct Ownership					
Land	917,260,357	1,697,636	-	-	918,957,993
Building and infrastructures	3,774,931,987	16,227,817	6,096	9,294,551	3,800,448,259

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

10. INVESTMENT PROPERTIES (CONTINUED)

	September 30, 2018				
	Balance as of January 1, 2018	**Additions**	**Deductions**	**Reclass-ification**	**Balance as of September 30, 2018**
Machinery and heavy equipment	704,537,322	6,983,627	18,000	1,999,000	713,501,949
Hotel facilities	274,701,613	367,827	-	-	275,069,440
Sub-total	5,671,431,279	25,276,907	24,096	11,293,551	5,707,977,641
Construction in progress	77,421,831	25,764,892	-	(13,617,203)	89,569,520
Total cost	5,748,853,110	51,041,799	24,096	(2,323,652)	5,797,547,161
Accumulated depreciation					
Direct Ownership					
Building and infrastructures	775,036,998	85,292,161	6,096	-	860,323,063
Machinery and heavy equipment	381,072,367	43,713,847	18,000	-	424,768,214
Hotel facilities	131,421,066	26,714,435	-	-	158,135,501
Total accumulated depreciation	1,287,530,431	155,720,443	24,096	-	1,443,226,778
Net book value	**4,461,322,679**				**4,354,320,383**

	December 31, 2017				
	Balance as of January 1, 2017	**Additions**	**Deductions**	**Reclass-ification**	**Balance as of December 31, 2017**
Cost					
Direct Ownership					
Land	886,540,037	30,720,320	-	-	917,260,357
Building and infrastructures	3,687,517,126	67,400,896	2,300	20,016,265	3,774,931,987
Machinery and heavy equipment	684,451,554	18,360,918	2,899,028	4,623,878	704,537,322
Hotel facilities	227,774,245	29,245,694	-	17,681,674	274,701,613
Sub-total	5,486,282,962	145,727,828	2,901,328	42,321,817	5,671,431,279
Construction in progress	52,917,061	53,167,710	186,172	(28,476,768)	77,421,831
Total cost	5,539,200,023	198,895,538	3,087,500	13,845,049	5,748,853,110
Accumulated depreciation					
Direct Ownership					
Building and infrastructures	662,724,831	110,693,486	2,300	1,620,981	775,036,998
Machinery and heavy equipment	313,801,699	64,888,469	29,681	2,411,880	381,072,367
Hotel facilities	75,979,795	55,441,271	-	-	131,421,066
Total accumulated depreciation	1,052,506,325	231,023,226	31,981	4,032,861	1,287,530,431
Net book value	**4,486,693,698**				**4,461,322,679**

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

10. INVESTMENT PROPERTIES (CONTINUED)

Depreciation was charged to the following:

	September 30, 2018	September 30, 2017
Cost of sales and direct costs	154,513,596	151,350,281
General and administrative expenses (Note 28)	1,206,847	2,203,066
Total	**155,720,443**	**153,553,347**

As of September 30, 2018, the reclassifications from construction in progress to the appropriate completed investment properties amounting to Rp11,293,551 (2017: Rp28,476,768).

As of September 30, 2018, the reclassification of investment properties with net book value amounting to Rp0 (2017: Rp10,018,147) from fixed assets was due to the change in management's intention on the use of the related assets (Note 9).

As of September 30, 2018, the reclassifications of investment properties with net book value amounting to Rp2,323,653 (2017: Rp205,959) to inventories was due to the change in management's intention on the use of the related assets (Note 6).

The details of construction in progress are as follows:

	September 30, 2018		December 31, 2017	
Project	Total	Percentage of completion (%)	Total	Percentage of completion (%)
Summarecon Mall Bandung	56,449,967	11.29	48,691,185	9.74
Sekolah Al Azhar Summarecon Serpong	-	-	4,181,703	30.08
Others	33,119,553	-	24,548,943	
Total construction in progress	**89,569,520**		**77,421,831**	

Below are the estimated completion dates of the projects under construction in progress as of September 30, 2018:

	Estimated Completion Date
Summarecon Mall Bandung	March 2020

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

As of September 30, 2018, investment properties, except land, are covered by insurance against fire, flood, and other risks (all risk) under blanket policies with several companies, including PT Asuransi Allianz Utama Indonesia, PT Asuransi AXA Indonesia, PT Zurich Insurance Indonesia, PT Asuransi Central Asia, PT Mitra Iswara & Rorimpandey PT Asuransi Indrapura, PT ACE Jaya Proteksi, PT Asuransi Rama Satria Wibawa, PT Asuransi Asoka Mas, PT Asuransi Ekspor Indonesia, PT Asuransi Astra Buana, all third parties, with sum insured amounted US$625,431,928 and Rp556,082,956 (2017: US$551,482,261 and Rp292,929,956).

As of September 30, 2018, the Group also covered its investment properties by insurance against terrorism and sabotage for US$458,374,434 and Rp1,319,026,000 (2017: US$383,974,508 and Rp933,330,000). In addition, the Group also obtained insurance against business interruption amounting to US$5,517,000 and Rp1,398,534,000 (2017: US$42,812,000 and Rp1,363,903,000). The Group's management is of the opinion that the above coverages are adequate to cover possible losses arising from such risks.

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

10. INVESTMENT PROPERTIES (CONTINUED)

As of September 30, 2018, investment properties with net book value of Rp2,280,615,358 (2017: Rp2,320,001,774) are pledged as collateral for the loans from banks and financing institutions, bonds payable and sukuk ijarah (Notes 12 and 13).

The fair value of the investment properties as of September 30, 2018 amounted to Rp17,458,216,000 (2017: Rp17,458,216,000), which was determined by independent appraisers KJPP Hendra, Widjaja, Robinson and Partners in its report dated March 22, 2018.

Rental income from investment properties recognized in the consolidated statement of comprehensive income as of September 30, 2018 amounted to Rp1,061,847,107 (2017: Rp1,002,045,727) (Note 26).

Based on the Group's assessments, there were no events or changes in circumstances which indicated an impairment in the value of investment properties as of September 30, 2018.

11. OTHER FINANCIAL ASSETS

This account consists of:	**September 30, 2018**	**December 31, 2017**
Current financial asset		
Security deposit	61.438	145,869
Other non-current financial assets		
Restricted time deposits:		
PT Bank OCBC NISP Tbk	101,556,267	79,277,143
PT Bank Permata Tbk	95,867,846	67,085,050
PT Bank Mandiri (Persero) Tbk	70,002,992	34,542,601
PT Bank CIMB Niaga Tbk	55,794,726	32,663,984
PT Bank Maybank Indonesia Tbk	27,604,804	17,069,368
Others (each below Rp20,000,000)	30,546,341	26,057,177
Restricted cash in banks:		
PT Bank Central Asia Tbk	253,915,731	140,850,921
PT Bank UOB Indonesia Tbk	24,938,256	13,533,446
Others (each below Rp20,000,000)	14,484,137	6,382,569
Investment - available for sale	212,500	212,500
Security deposit	1,567,826	1,556,514
Total other non-current financial assets	676,491,426	419,231,273
Total other financial assets	**676,552,864**	**419,377,142**

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

For the nine-months period ended September 30, 2018, the restricted time deposits earned interest at annual interest rate of 5.25%-7.00% (2017: 4.25%-7.75%).

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

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

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

	September 30, 2018	December 31, 2017
Rupiah		
PT Bank Central Asia Tbk	389,526,509	133,620,236
PT Bank Sumitomo Mitsui Indonesia	250,000,000	200,000,000
PT Bank Mandiri (Persero) Tbk	200,000,000	190,000,000
PT Bank Resona Perdania	161,576,000	161,576,000
PT Bank Mayora Tbk	150,000,000	150,000,000
PT Bank HSBC Indonesia	150,000,000	-
PT Bank OCBC NISP Tbk	100,000,000	30,000,000
Unites States dollar		
PT Bank Resona Perdania (US$3,000,000 as of September 30, 2018 and December 31, 2017)	44,787,000	40,644,000
Total	**1,445,889,509**	**905,840,236**

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

	September 30, 2018	December 31, 2017
Rupiah		
PT Bank Central Asia Tbk	2,740,108,354	2,407,431,123
PT Bank Mandiri (Persero) Tbk	1,165,000,000	1,242,500,000
PT Bank Bumi Arta Tbk	24,818,222	28,685,953
PT BCA Finance	12,231,950	12,916,397
United States dollar		
PT Bank Central Asia Tbk	121,762,254	110,223,886
Total loans from Banks and financing institution	4,063,920,780	**3,801,757,359**
Less of unamortized debt commission fees	(1,685,824)	(7,112,305)
Net	4,062,234,956	3,794,645,054
Less of current maturities	(717,252,092)	(591,349,578)
Long-term portion	**3,344,982,864**	**3,203,295,476**

As of September 30, 2018 and December 31, 2017, the details of future installments of the long-term loans from banks and financing institutions are as follows:

	September 30, 2018	December 31, 2017
Year Due		
2018	-	594,412,194
2019	708,529,975	883,549,977
2020	1,193,710,186	1,204,342,286
2021	1,007,140,454	795,957,642

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

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

As of September 30, 2018 and December 31, 2017, the details of future installments of the long-term loans from banks and financing institutions are as follows: (continued)

	September 30, 2018	December 31, 2017
Year Due (continued)		
2022	339,987,197	230,069,889
2023	266,271,089	93,425,371
2024	336,472,412	-
2025	211,809,467	-
Total installments	**4,063,920,780**	**3,801,757,359**

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

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

A Short Term Bank Loan

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year principal payment	Balance as of September 30/ December, 31
Company and PT Bank Sumitomo Mitsui Indonesia Revolving credit facility	Rp250,000,000	Until August 2019	Every semester	Monthly	2018: 8.00%-8.90% (2017: 8.45%)	-	Working capital	2018 : Rp700,000,000 (2017 : Rp1,000,000,000)	2018: Rp250,000,000 (2017: Rp200,000,000)
Company and PT Bank Mandiri (Persero) Tbk Working capital loan facility	Rp200,000,000	Until June 2019	June 2019	Monthly	2018: 9.25%-9.85% (2017: 9.85%)	MKOJ's investment properties and Hotel Harris Bekasi Building (Note 10)	Working capital	2018 : Rp0 (2017 : Rp150,000,000)	2018: Rp200,000,000 (2017: Rp190,000,000)
SPCK and PT Bank Resona Perdania Working capital loan facility	Rp30,000,000	Until August 2019	August 2019	Monthly	2018: 8.12%-8.86% 2017: 8.12%-8.86%)	Letter of undertaking	Working capital	2018: Rp0 (2017: Rp24,000,000)	2018: Rp5.000.000 (2017: Rp5.000.000)
Company and PT Bank Resona Perdania Credit facility Revolving	US$3,000,000 and Rp179,148,000	Until December 2018	December 2018	Monthly	2018: 4.37%-7.87% (2017: 4.25%-7.79%)	Investment properties (Note 10)	Working capital	2018: Rp0 (2017 : Rp0)	2018: US$3,000,000 or equivalent to Rp44,787,000 and Rp156,576,000 (2017: US$3,000,000 or equivalent to Rp40,644,000 and Rp156,576,000)
Company and PT Bank Mayora Tbk Credit term facility	Rp150,000,000	Until October 2019	October 2019	Monthly	2018: 9.50% (2017: 9.50%)	-	Working capital	2018: Rp0 (2017: Rp400,000,000)	2018: Rp150,000,000 (2017: Rp150,000,000)
Company and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp80,000,000	Until April 2019	April 2019	Monthly	2017: 9.00%-9.25% (2016: 9.25%-9.75%)	Investment properties, temporary account and restricted time deposit (Notes 10 and 11)	Working capital	2018: Rp0 (2017: Rp814,897)	2018: Rp54,022,345 (2017: Rp53,876,692)
Credit facility Revolving	Rp 250,000,000	Until April 2019	April 2019	Monthly	2018: 8.50%-8.75%	-	Working capital	2018: Rp0 (2017: Rp0)	2018: Rp245,000,000 (2017: Rp0)
SGMC and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp50,000,000	Until November 2018	November 2018	Monthly	2018: 9.00-9.25% 2017: 9.25%	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2018: Rp0 (2017: Rp0)	2018: Rp30,049,019 (2017: Rp18,414,080)
SPCK and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp80,000,000	Until March 2019	March 2019	Monthly	2018: 9.00%-9.25% (2017: 9.25%)	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2018: Rp6,329,465 (2017: Rp26,147,079)	2018: Rp15,366,363 (2017: Rp6,329,464)
Time Loan Revolving Facillity	Rp100,000,000	Until March 2019	March 2019	Monthly	2018: 9.00% - 9.25% (2017: 9.00% - 9.25%)	Inventories and Undeveloped land (Notes 6 and 7)	Working capital	2018: Rp55,000,000 (2017: Rp0)	2018: Rp0 (2017: Rp55,000,000)

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

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

A Short Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year principal payment	Balance as of December, 31
Company and PT Bank OCBC NISP Tbk Demand Loan credit facility	Rp300,000,000	Until May 2019	May 2019	Quarterly	2018: 9.50%-9.75% (2017: 9.75%)	Land and company's building (Notes 9 and 10)	Working capital	2018: Rp180,000,000 (2017: Rp533,000,000)	2018: Rp100,000,000 (2017: Rp30,000,000)
Foreign currency transaction facility	US$5,000,000	Until May 2019	May 2019	Monthly	2018: SDBK - 0.5%	Land and company's building (Notes 9 and 10)	Working capital	2018: Rp0 (2017 : Rp0)	2018: Rp0 (2017: Rp0)
BTKV and PT Bank Bumi Arta Tbk Credit facility Bank overdraft	Rp10,000,000	Untill May 2019	May 2019	Monthly	2018: 10.75%-11.75% (2017: 11.75%)	BTKV's fixed assets (Note 9) and 5,000 shares of BTKV	Working capital	2018: Rp0 (2017: 4,076,065)	2018: Rp0 (2017: Rp0)
Company and PT Bank Muamalat Indonesia Tbk Credit facility Loan term facility	Rp250,000,000	Until July 2019	July 2019	Monthly	2018: 9.75%-10.75% (2017: 9.75%)	-	Working capital	2018: Rp100,000,000 (2017: Rp130,000,000)	2018: Rp0 (2017: Rp0)
Company and PT Bank HSBC Indonesia Time Loan Revolving facility	Rp150,000,000	Until July 2019	July 2019	Quarterly	2018: 8.50%	-	Working capital	2018: Rp0 (2017: Rp0)	2018: Rp150,000,000 (2017: Rp0)
Company and PT Bank CIMB Niaga Tbk Time Loan Revolving facility	Rp275,000,000	Until September 2019	September 2019	Monthly	2018: 8.25%	-	Working capital	2018: Rp0 (2017: Rp0)	2018: Rp0 (2017: Rp0)
MKPP and PT Bank Central Asia Tbk Credit facility Bank overdraft	Rp100,000,000	Until December 2018	December 2018	Monthly	2018: 9.00%-9.25% 2017: 9.00%	Undeveloped Land (Note 8)	Working capital	2018: Rp0 (2017: Rp0)	2018: Rp45,088,782 (2017: Rp0)

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

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

B.1 Long Term Bank Loan

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year principal payment	Balance as of September 30/ December, 31
Company and PT Bank Central Asia Tbk Investment credit facility	Rp550,000,000	February 2016 - February 2022	Quarterly installment (second quarter 2018 - first quarter 2022)	Quarterly	2018: 9.00%-9.25% (2017: 9.25%-10.25%)	Land and The Kensington's Apartment building (Note 6)	Construction of The Kensington Royal Suite Apartement	2018: Rp41,250,000 (2017 : Rp0)	2018: Rp508,750,000 (2017: Rp550,000,000)
Company and subsidiaries and PT Bank Central Asia Tbk Investment credit facility	Rp650,000,000 Company: Rp75,000,000, MKOJ: Rp165,000,000, DNMP: Rp70,000,000, SMHO: Rp65,000,000, LTMD: Rp225,000,000, KRIP: Rp50,000,000	September 2013 - September 2021	Installment every quarter (fourth quarter 2016 - third quarter 2021	Quarterly	2018: 9.00%-9.25% (2017: 10.00% - 10.50%)	Investment properties Company: and restricted time deposit (Notes 12 and 13)	Construction of Hotel Pop! Kelapa Gading MKOJ: Construction of Harris Hotel Bekasi, DNMP; Construction of Plaza Summarecon Bekasi, SMHO: Purchase equipment Hotel Pop! Kelapa Gading and Harris Hotel Bekasi, LTMD: Construction of Summarecon Digital Center, KRIP: Construction of Scientia Business Park	2018: Rp97,500,000 (2017: Rp129,999,999)	2018: Rp401,250,000 (2017: Rp498,750,000)
SPCK and PT Bank Central Asia Tbk Investment credit facility I	Rp100,000,000	September 2013 - September 2021	Quarterly installment - (forth quarter 2016 third quarter 2021)	Quarterly	2018 : 9.00% - 9.25% (2017: 9.00% - 9.25%)	Inventories and undeveloped land (Notes 7 and 9)	Construction of The Spring Club	2018: Rp15,000,000 (2017: Rp20,000,000)	2018: Rp60,000,000 (2017: Rp75,000,000)
Investment credit facility II	Rp200,000,000	June 2015 - June 2021	Quarterly installment - (fourth quarter 2017 second quarter 2021)	Quarterly	2018: 9.00% - 9.25% (2017:9.00% - 9.25%)	Undeveloped land JYBA, JBC and SPCK (Note 9)	General purpose financing capital expenditure and development cost	2018: Rp37,500,000 (2017: Rp25,000,000)	2018: Rp137,500,000 (2017: Rp175,000,000)
Investment credit facility III	Rp400,000,000	January 2016 - January 2022	Quarterly installment (fourth quarter 2018 - first quarter 2022)	Quarterly	2018: 9.00%-9.25% (2017: 9.00% - 9.25%)	Inventories and undeveloped land (Notes 7 and 9)	Construction house, apartement and infrastructure of Summarecon Serpong	2018: Rp50,000,000 (2017: Rp0)	2018: Rp350,000,000 (2017: Rp400,000,000)
Investment credit facility IV	Rp425,000,000	November 2017 - November 2024	Quarterly installment	Quarterly	2018: 9.00%-9.25% (2017: 9.00%)	Inventories and undeveloped land (Notes 7 and 9)	Capital and project development cost apartement, house and infrastructure in Summarecon Serpong area	2018 : Rp0 (2017: Rp0)	2018: Rp0 (2017: Rp0)
LTMD and PT Bank Central Asia Tbk Investment credit facility II	Rp350,000,000	March 2011 - March 2021	Quarterly installment (second quarter 2013 - first quarter 2021)	Quarterly	2018:9% - 9.25% (2017: 9.00% - 9.25%)	Investment properties and temporary account (Notes 12 and 13)	Construction of Summarecon Mal Serpong Stages II	2018: Rp45,500,000 (2017: Rp50,750,000)	2018: Rp157,500,000 (2017: Rp203,000,000)

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

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

B.1 Long Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year principal payment	Balance as of December, 31
PMJA, HOPJ and PT Bank Central Asia Tbk Investment credit facility	Rp527,000,000 PMJA: Rp220,000,000 HOPJ: Rp307,000,000	September 2013 - December 2024	Quarterly installment (third quarter 2017 - fourth quarter 2024)	Quarterly	2018: 9.00% - 9.25% (2017: 9.00% - 10.50%)	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2018: Rp0 (2017: Rp5,571,241)	2018: Rp517,402,616 (2017: Rp505,681,123)
Investment credit facility	US$9,800,000 PMJA: US$5,000,000 HOPJ: US$4,800,000	September 2013 - December 2024	Quarterly installment (third quarter 2017 - fourth quater 2024)	Quarterly	2018: 5.5% (2017: 5.5%)	Fixed asset, investment properties and PMJA's and HOPJ's shares (Notes 9 and 10)	Construction of Movenpick Resort & Spa	2018: US$0 or equal to Rp0 (2017: US$101,459 or equal to Rp1,338,174)	2018: US$8,155,197 or equivalent to Rp121,762,253 (2017: US$8,135,805 or equivalent to Rp110,223,886)
SGMC and PT Bank Central Asia Tbk Investment credit facility	Rp200,000,000	November 2017 - November 2023	Quarterly	Monthly	2018: 9.00%-9.25% (2017: 9.25%)	Undeveloped land (Note 7)	Capital and Project development cost apartement, house and infrastructure in Summarecon Mutiara Makassar area	2018: Rp0 (2017: Rp0)	2018: Rp137,444,557 (2017: Rp0)
MKPP and PT Bank Central Asia Tbk Investment credit facility	Rp500,000,000	June 2016 - June 2024	Quarterly	Monthly	2018: 9.00%-9.25% (2017: 9.25%)	Undeveloped land (Note 7)	Construction project residential and infrastructure in Summarecon Bandung area	2018: Rp0 (2017: Rp0)	2018: Rp470,261,181 (2017: Rp0)

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

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

B.1 Long Term Bank Loan (continued)

Parties	Total facilities (in 000)	Loan periods	Installment Payment for the periods	Interest payment	Annual interest rate	Collateral	Purpose	Current year principal payment	Balance as of December, 31
The company and PT Bank Mandiri (Persero) Tbk Specific transaction credit facility (PTK II)	Rp600,000,000	March 2013 - March 2020	Quarterly start from December 2015 - March 2020	Monthly	2018: 9.25%-9.85% (2017: 9.50%-9.85%)	JYBA's undeveloped land and LTMD's investment properties (Notes 7 and 10)	General Purpose	2018 : Rp37,500,000 (2017: Rp50,000,000)	2018: Rp455,000,000 (2017: Rp492,500,000)
Specific transaction credit facility (PTK III)	Rp750,000,000	April 2015 - April 2021	Quarterly start from April 2018 - April 2021	Monthly	2017: 9.25%-9.85% (2016: 9.85%-10.50%)	Investment properties MKOJ (Note 10)	Financing capital expenditures/working capital in Summarecon Bekasi area	2018: Rp40,000,000 (2017: Rp0)	2018: Rp710,000,000 (2017: Rp750,000,000)
BTKV and PT Bank Bumi Arta Tbk Investment credit facility	Rp42,000,000	June 2012 - June 2022	September 2014 - June 2022	Monthly	2018: 10.50%-11.75% (2017: 11.75%)	Fixed Assets BTKV (Note 9) and 5,000 shares of BTKV	Working capital	2018: Rp3,867,731 (2017: Rp4,571,481)	2018: Rp24,818,222 (2016: Rp28,685,953)

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

B.1 Long Term Bank Loan (continued)

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

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

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

As of September 30, 2018 and December 31, 2017, each of the Group are in compliance with all of the debt covenants related to the above short-term bank loans and long-term debts.

B.2 Loan to Financing Institution

PT BCA Finance

The loans from PT BCA Finance represent drawdowns from various consumer financing credit facilities obtained by the Group, which were used to finance the acquisitions of vehicles. The loans are payable in monthly installments at different dates, the latest up to August 27, 2020 and are collateralized by the vehicles purchased (Note 9). The outstanding loans balance as of September 30, 2018 amounted to Rp12,231,950 (2017: Rp12,916,397).

In 2018, the Group has made principal payments totaling Rp4,801,354 (2017: Rp6,387,410).

For the nine-months period ended September 30, 2018, the loans bore interest at annual rates ranging from 6.99% to 17.25% (2017: 6.99% sampai dengan 17.25%).

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

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

13. BONDS PAYABLE AND SUKUK IJARAH

The details of bonds issued are as follows:

	September 30, 2018	December 31, 2017
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
Obligasi Berkelanjutan II Tahap I	500,000,000	500,000,000
Obligasi Berkelanjutan II Tahap II	800.000.000	800.000.000
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
Total face value	**3,000,000,000**	**3,300,000,000**
Less deferred issuance costs (net of current amortization of Rp5,949,762 as of September 31, 2018 and Rp6,270,929 as of December 31, 2017)	(10,826,367)	(16,776,129)
Neto	**2,989,173,633**	**3,283,223,871**
Less current maturities	(599,529,141)	(897,400,302)
Long-term portion	**2,389,644,492**	**2,385,823,569**

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

	September 30, 2018	December 31, 2017
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
Obligasi Berkelanjutan II Tahap II	5.008.601	5.008.601
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	**34,503,521**	**34,503,521**
Less accumulated amortization of deferred issuance costs (inclusive of current amortization of Rp5,949,762 as of September 30, 2018 and Rp6,270,929 as of December 31, 2017)	(23,677,154)	(17,727,392)
Neto	**10,826,367**	**16,776,129**

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

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

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

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

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

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

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

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

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

PT Pemeringkat Efek Indonesia (Pefindo), a securities rating agency in Indonesia, gave a rating of idA+ (single A plus) for the OB I Tahap II in 2018.

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

On April 22, 2015, the Company issued OB I Tahap III with nominal value of Rp150,000,000 with fixed annual interest of 10.50%. Interest is payable quarterly in arrears, which will start on July 22, 2015 and continues up to April 22, 2018. The OB I Tahap III has been fully paid in 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 7).

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

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

On December 16, 2015, the Company issued OB II Tahap I with nominal value of Rp500,000,000 with fixed annual interest rate of 11.25%. Interest is payable quarterly in arrears, which will start on March 16, 2016 and continues up to December 16, 2020. The OB II Tahap I 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 10).

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

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

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

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

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

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

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

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 II in 2018.

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

On December 11, 2013, the Company issued SIB I Tahap I with nominal value of Rp150,000,000, with obligation to pay benefit installment of ijarah amounting to Rp16,275,000 annually for 5 (five) years. Payment of the benefit installment of ijarah is made quarterly in arrears. The SIB I Tahap I 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 10).

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

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

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

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

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

On April 22, 2015, the Company issued SIB I Tahap III with a nominal value of Rp150,000,000 with obligation to the benefit installment of ijarah amounting to Rp15,750,000 annually, payable over 3 (three) years which started on July 22, 2015 and continues up to April 22, 2018. Payments of the benefit installment of ijarah are made quarterly in arrears. The SIB I Tahap III 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 10).

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

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.
- 100% of funds generated from the issuance of the OB II Tahap II will be used for settle all or part of obligasi and/or sukuk, and/or Company's bank loan and/or subsidiaries.

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

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

13. BONDS PAYABLE AND SUKUK IJARAH (CONTINUED)

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

   The Company complied with all the above financial ratio requirements.

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

As of September 30, 2018 and December 31, 2017, the Company have complied with the covenants stated in the agreements on the bonds and sukuk ijarah.

14. TRADE PAYABLES TO THIRD PARTIES

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

	September 30, 2018	**December 31, 2017**
Suppliers	74,198,672	73,793,476
Office construction contructors	3,195,548	3,495,459
House construction contructors	1,476,852	1,357,326
Infrastructure construction contructors	1,337,183	1,150,464
Apartment construction contructors	514,657	523,089
Others	503,629	617,641
Total trade payables to third parties	**81,226,541**	**80,937,455**

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

	September 30, 2018	**December 31, 2017**
Rupiah	77,491,743	74,644,496
United States dollar (US$230,209 in September 30, 2018 and US$438,264 in December 31, 2017)	3,436,792	5,937,602
Singapore dollar (Sin$269 in September 30, 2018 and Sin$25,882 in December 31, 2017)	2,939	262,280
European Euro (Euro14,534 in September 30, 2018 and Euro5,550 in December 31, 2017)	252,717	89,761
Thailand Baht (THB91,825 in September 30, 2018 and THB8,000 in December 31, 2017)	42,350	3,316
Total trade payables to third parties	**81,226,541**	**80,937,455**

There are no Company's assets collateralized in relation to trade payables to third parties as of September 30, 2018.

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

15. OTHER PAYABLES

Other payables are liabilities consist of:

	September 30, 2018	December 31, 2017
Third parties:		
Deposit payable	212,866,568	106,350,096
Shareholders of the Company's subsidiaries	56,550,000	-
Contractor	14,571,919	18,846,224
Purchase of fixed assets and investment properties	13,547,853	22,329,550
Others (each below Rp10,000,000)	87,563,735	77,148,093
Total other payables	**385,100,075**	**224,673,963**
Less current maturities	(321,859,210)	(216,155,598)
Long-term portion	**63,240,865**	**8,518,365**

16. ACCRUED EXPENSES

This account consists of accruals for:

	September 30, 2018	December 31, 2017
Development of project, infrastructure, social and public facilities	695,450,385	941,228,602
Interest expense	72,876,243	91,619,337
Promotion	42,778,540	50,644,127
Repairs and maintenance	38,893,870	40,977,875
Electricity, water and telephone	23,689,667	21,151,393
Others (each below Rp10,000,000)	78,255,032	50.125.668
Total accrued expenses	**951,943,737**	**1,195,747,002**

As of September 30, 2018 and December 31, 2017, 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.

17. TAXATION

	September 30, 2018	December 31, 2017
a. Prepaid taxes consists of:		
Income tax - art. 21	4,081	400,564
Final tax expense	163,273,371	135,817,466
Value added tax	98,316,144	34,083,908
Claim tax for refund	1,787,516	17,948,286
Total prepaid taxes	**263,381,112**	**188,250,224**

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

17. TAXATION (CONTINUED)

	September 30, 2018	December 31, 2017
b. Taxes payable consists of:		
Income tax		
Article 21	4,753,184	4,511,371
Article 22	-	446,203
Article 23	3,320,898	6,816,463
Article 25	14,432	14,432
Article 26	499,736	197,751
Article 29	1,336,041	2,138,944
Final income tax	37,766,321	45,572,603
Development tax	6,826,666	7,310,885
Total taxes payable	**54,517,278**	**67,008,652**

18. EMPLOYEE BENEFITS LIABILITIES

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

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

19. DOWNPAYMENT RECEIVED AND SECURITY DEPOSITS

This account consists of:

	September 30, 2018	December 31, 2017
Downpayments received from the sale of:		
Related parties (Note 30)		
Shops	5.625.613	5,625,613
Houses	463.168	126,019
Apartments	243.419	835,584
Third parties		
Houses	2.330.519.734	2,075,992,177
Shops	802.950.408	453,149,543
Landplots	75.251.547	32,885,921
Office	74.724.335	39.370.171

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

19. DOWNPAYMENT RECEIVED AND SECURITY DEPOSITS (CONTINUED)

	September 30, 2018	December 31, 2017
Third parties (continued)		
Apartemen	61,904,929	261,794,256
Others	16,776,007	7,584,595
Total downpayments received	3,368,459,160	2,877,363,879
Customer deposits for:		
Related parties		
Rent	6,641,643	6,641,643
Telephone	91,000	91,000
Others	112,694	106,855
Third parties		
Rent	122,603,724	110,125,079
Membership	4,380,148	3,600,063
Telephone	2,380,112	2,357,278
Others	37,591,958	30,259,588
Total customer deposits	173,801,279	153,181,506
Total downpayment received and security deposits	**3,542,260,439**	**3,030,545,385**
Less current maturities	(905,606,925)	(1,819,628,424)
Long-term portion	**2,636,653,514**	**1,210,916,961**

20. UNEARNED REVENUES

This account consists of unearned rental revenues of:

	September 30, 2018	December 31, 2017
Related parties		
Commercial and others	18,000	-
Third parties		
Mal and retail	442,713,649	361,491,450
Commercial and others	70,842,239	53,208,921
Residential	1,805,441	2,146,842
Office	1,417,496	1,056,320
Total unearned revenues	**516,796,825**	**417,903,533**
Less current maturities	(381,182,853)	(346,587,025)
Long-term portion	**135,613,972**	**71,316,508**

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

21. NON-CONTROLLING INTERESTS

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

	September 30, 2018	December 31, 2017
SPCK and Subsidiaries	1,104,396,254	959,334,004
SMPD and Subsidiaries	898,441,178	814,276,631
SMIP and Subsidiaries	38,596,124	67,065,102
BTKB	2,505,893	3,164,844
BHMS	3	3
Total equity attributable to Non-controlling interests	**2,043,939,452**	**1,843,840,584**

As of June 30, 2018, there was capital contribution amounting Rp90,650,000 from non-controlling interests of SMPD and subsidiaries. As of December 31, 2017, there were deposits for stock subscription amounting Rp57,526,000, Rp26,434,000 and Rp2,256,800 from non-controlling interests of SMPD and subsidiaries, and SMIP and subsidiaries and BTKB, respectively.

Total comprehensive loss for the year attributable to Non-controlling interests for the nine-months period ended September 30, 2018 amounted to Rp188,898,868 (2017: Rp119,311,846).

22. SHARE CAPITAL

The details of the Company's share ownership as of September 30, 2018 is as follows:

	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	30,000,000	0.21	3,000,000
Director			
Liliawati Rahardjo	107,115,900	0.74	10,711,591
Ownership of 5% or more			
PT Semarop Agung	4,836,415,914	33.52	483,641,591
PT Sinarmegah Jayasentosa	951,576,224	6.60	95,157,622
BNYMSANV RE AMS RE Stichting D APG ST RE E ES Pool-2039846201	810,000,000	5.61	81,000,000
Others (each below 5% ownership)	7,691,673,642	53.32	769,167,365
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

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

22. SHARE CAPITAL (CONTINUED)

The details of the Company's share ownership as of December 31, 2017 is as follows:

	Number of shares issued and fully paid	Percentage of ownership (%)	Amount
Commissioner			
Harto Djojo Nagaria	22,050,000	0.15	2,205,000
Director			
Liliawati Rahardjo	66,003,600	0.46	6,600,360
Ownership of 5% or more			
PT Semarop Agung	4,836,415,914	33.52	483,641,591
PT Sinarmegah Jayasentosa	951,576,224	6.60	95,157,622
BNYMSANV RE AMS RE Stichting D APG ST RE E ES Pool-2039846201	810,000,000	5.61	81,000,000
Others (each below 5% ownership)	7,740,735,942	53.66	774,073,595
Total	**14,426,781,680**	**100.00**	**1,442,678,168**

23. ADDITIONAL PAID-IN CAPITAL

As of September 30, 2018 and December 31, 2017, this account arose from following:

	September 30, 2018	December 31, 2017
Share premium	721,671,346	721,671,346
Other paid-in capital	17,103,214	17,103,214
Differences in value from transaction of entities under common control	5,560,839	5,560,839
Bonus shares	(721,339,084)	(721,339,084)
Total	**22,996,315**	**22,996,315**

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

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

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

24. APPROPRIATED RETAINED EARNINGS - GENERAL RESERVE

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

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

24. APPROPRIATED RETAINED EARNINGS - GENERAL RESERVE (CONTINUED)

As of September 30, 2018, the balances of the general reserve are less than 20% of the issued and fully paid capital stock. The additional reserve will be made after obtaining the approval from the stockholders in their next annual meeting.

25. CASH DIVIDENDS

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

As of September 30, 2018, the dividend payable balance amounted to Rp2,048,231 (2017: Rp1,924,407), which is presented as part of "Other Payables" in the consolidated statement of financial position (Note 15).

26. NET REVENUES

The details of net revenues are as follows:

	For the nine-months period ended September 30,	
	2018	**2017**
Property Development		
Related parties		
Apartments	2,181,825	6,873,855
Third parties		
Houses	1,316,838,726	751,012,541
Apartments	935,349,755	1,494,839,475
Landplots	117,642,284	142,395,991
Shops	49,809,956	136,639,157
Sub-total	2,421,822,546	2,531,761,019
Investment Properties		
Related parties		
Mal and retail	31,140,569	37,883,293
Commercial and others	1,472,792	1,232,947
Office	991,730	515,032
Third parties		
Mal and retail	972,410,232	913,694,576
Commercial and others	28,396,916	24,562,445
Office	22,002,352	17,960,304
Residential	5,432,516	6,197,130
Sub-total	1,061,847,107	1,002,045,727

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

26. NET REVENUES (CONTINUED)

	For the nine-months period ended September 30, 2018	2017
Others		
Related parties		
Estate and property management	83,176	76,407
Others	755,021	551,277
Third parties		
Hotel	252,837,462	206,922,553
Estate and property management	124,664,924	104,145,740
Healthcare	81,607,489	79,407,867
Leisure	54,788,537	49,549,742
Others	24,687,510	20,152,955
Sub-total	539,424,119	460,806,541
Net revenues	**4,023,093,772**	**3,994,613,287**

The percentage of revenues from sales to related parties to net revenues accounted for 0.91% as of September 30, 2018 (2017: 1.18%).

As of September 30, 2018 and 2017, no revenues exceeding 10% of annual net revenues were earned from any single customer.

27. COST OF SALES AND DIRECT COSTS

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

	For the nine-months period ended September 30, 2018	2017
Property Development		
Houses	537.879.448	403.717.763
Apartments	636.160.118	948.293.620
Landplots	31.112.088	28.138.042
Shops	25.306.840	54.272.409
Sub-total	1.230.458.494	1.434.421.834
Investment Properties		
Mal and retail	468.723.619	481.701.777
Commercial and others	19.660.355	14.432.962
Office	15.676.776	14.524.918
Residential	3.181.698	3.083.925
Sub-total	507.242.448	513.743.582

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

27. COST OF SALES AND DIRECT COSTS (CONTINUED)

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

	For the nine-months period ended September 30, 2018	2017
Leisure and Hospitality		
Hotel	161,153,685	145,068,434
Estate and property management	93,518,118	78,218,621
Healthcare	60,411,243	58,387,811
Leisure	38,868,473	34,244,386
Others	19,341,807	16,589,581
Sub-total	373,293,326	332,508,833
Total cost of sales and direct costs	**2,110,994,268**	**2,280,674,249**

For the nine-months periods ended September 30, 2018 and 2017, no purchases exceeding 10% of net revenues were made from any single supplier.

28. OPERATING EXPENSES

The details of operating expenses are as follows:

	For the nine-months period ended September 30, 2018	2017
Selling expenses		
Promotion and advertising	139,317,197	110,787,661
Sales commissions	50,459,188	89,442,189
Salaries and employee benefits	12,856,088	10,599,322
Others (each below Rp10,000,000)	17,921,750	17,585,242
Total selling expenses	220,554,223	228,414,414
General and administrative expenses		
Salaries and employee benefits	412,627,200	423,463,274
Depreciation (Notes 9 and 10)	67,172,799	69,869,728
Professional fees	19,513,562	12,661,486
Travelling and transportation	15,680,259	11,057,430
Corporate events	15,172,200	13,932,351
Others (each below Rp15,000,000)	119,548,243	120,266,536
Total general and administrative expenses	649,714,263	651,250,805
Total operating expenses	**870,268,486**	**879,665,219**

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

29. FINANCE COSTS

The details of finance costs are as follows:

	For the nine-months period ended September 30, 2018	For the nine-months period ended September 30, 2017
Interest expenses:		
Bonds payable	252,024,508	212,503,240
Loans from banks	215,940,752	240,727,623
Loans from financing institutions	763,721	604,979
Other payables	6,956,274	6,465,408
Bank administration	5,944,194	5,061,008
Others (each below Rp10,000,000)	36,134,015	7,560,872
Total finance costs	**517,763,464**	**472,923,130**

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

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

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	September 30, 2018	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Trade Receivables, current				
Entity under common control				
PT Maju Lestari Kreasi	53,480,956	153,189,387	0.2335	0.7072
PT Sulisman Graha	4,950,000	6,600,000	0.0216	0.0305
PT Cahaya Fajar Properti	2,520,713	24,081,252	0.0110	0.1111
PT Star Maju Sentosa	861,180	4,847,113	0.0038	0.0224
Other related parties				
PT Maktosa Jaya Indah	238,733	96,965	0.0010	0.0005
PT Centrapacific Nusajaya	122,813	49,882	0.0005	0.0002
Key management personnel				
Harto Djojo Nagaria	1,227,215	1,667,533	0.0054	0.0077
Soegianto Nagaria	-	48,726	-	0.0002
Total trade receivables, current	63,401,610	190,580,858	0.2768	0.8798

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

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	September 30, 2018	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Trade Receivables, non-current				
Entity under common control				
PT Sulisman Graha	3.300.000	6,179,838	0.0144	0.0285
Total trade receivables	**66,701,610**	**196,760,696**	**0.2912**	**0.9083**
Due from related parties, non-current				
Joint venture				
PT Jakartabaru Cosmopolitan	42,113,353	38,159,546	0.1838	0.1762
Entity under common control				
Yayasan Inti Prima Bangsa	24,883,990	-	0.1086	-
PT Star Maju Sentosa	244,482	70,124	0.0011	0.0003
Other related parties				
Sumitomo Forestry (Singapore) Ltd	35,016	-	0.0002	-
Ultimate parent entity				
PT Semarop Agung	9,083	-	0.0000	-
Total due from related parties	**67,285,924**	**38,229,670**	**0.2937**	**0.1765**
Downpayments received and security deposits, current				
Key management personnel				
Harto Djojo Nagaria	3.343.261	3,448,201	0,0235	0.0259
Liliawati Rahardjo	151.805	171,371	0,0011	0.0013
Ge Lilies Yamin	23.697	203,003	0,0002	0.0015
Soegianto Nagaria	4.971	116,089	0,0000	0.0009
Adrianto P. Adhi	3.190	2,477	0,0000	0.0000
Lexy Arie Tumiwa	2.743	2,241	0,0000	0.0000
Herman Nagaria	1.842	176,088	0,0000	0.0013
Other related parties				
PT Maktosa Jaya Indah	4,997	4,138	0.0000	0.0000
Theresia Mareta	3,307	2,531	0.0000	0.0000

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

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	September 30, 2018	December 31, 2017	September 30, 2018	December 31, 2017
Downpayments received and security deposits, current (continued)				
Entity under common control				
PT Star Maju Sentosa	164,492	164,492	0.0012	0.0012
Total downpayments received and security deposits current	**3,704,305**	**4,290,631**	**0.0260**	**0.0321**
Downpayments received and security deposits, non-current				
Entity under common control				
PT Star Maju Sentosa	6,652,551	6.652.551	0.0468	0,0500
Key management personnel				
Herman Nagaria	1,865,700	1,865,700	0.0131	0.0140
Lexy Arie Tumiwa	491,813	491,813	0.0035	0.0037
Other related parties				
PT Maktosa Jaya Indah	463,168	126,019	0.0033	0.0009
Total downpayments received and security deposits non-current	9,473,232	9,136,083	0.0667	0.0686
Total downpayments received and security deposits	**13,177,537**	**13.426.714**	**0.0927**	**0.1007**
Due to related parties, current				
Entity under common control				
PT Sulisman Graha	-	94,512,733	-	0.7101
PT Permata Cahaya Indah	6,000,000	30,000,000	0.0422	0.2254
Key management personnel				
Soetjipto Nagaria	1,396,600	1,396,600	0.0098	0.0105
Total due to related parties, current	**7,396,600**	**125,909,333**	**0.0520**	**0.9460**
Due to related parties, non-current				
Other related parties				
Sumitomo Forestry (Singapore) Ltd	77,592	-	0.0005	-
Total due to related parties	**7,474,192**	**125,909,333**	**0.0525**	**0.9460**

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

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	Balance as of		Percentage from consolidated total assets/ liabilities (%)	
	September 30, 2018	**December 31, 2017**	**September 30, 2018**	**December 31, 2017**
Deferred income, current				
Other related parties				
Sumitomo Forestry (Singapore) Ltd	18.000	-	0.0001	-
Total deferred income	**18.000**	**-**	**0.0001**	**-**

	Balance as of		Percentage from consolidated total revenues (%)	
	September 30, 2018	**September 30, 2017**	**September 30, 2018**	**September 30, 2017**
Net revenues				
Key management personnel				
Ge Lilies Yamin	681,604	600,747	0.0169	0.0150
Harto Djojo Nagaria	620,018	4,552,551	0.0154	0.1140
Liliawati Rahardjo	393,606	905,261	0.0098	0.0227
Herman Nagaria	139,316	363,700	0.0035	0.0091
Soegianto Nagaria	15,150	13,690	0.0004	0.0003
Adrianto P. Adhi	10,158	9,179	0.0003	0.0002
Lexy Arie Tumiwa	7,140	45,529	0.0002	0.0011
Entity under common control				
PT Star Maju Sentosa	32,132,300	38,398,325	0.7986	0.9614
Other related parties				
Yayasan Syiar Bangsa	1,472,792	1,232,946	0.0366	0.0309
Yayasan Inti Prima Bangsa	755,021	551,277	0.0188	0.0138
PT Maktosa Jaya Indah	259,667	277,064	0.0064	0.0069
Other related parties (continued)				
PT Centrapacific Nusajaya	127,276	172,544	0.0032	0.0043
Theresia Mareta	11,065	9,998	0.0003	0.0003
Net revenues	**36,625,113**	**47,132,811**	**0.9104**	**1.1800**

30. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

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

Related parties	Relationship	Transactions
PT Maju Lestari Kreasi	Under common control	Sale of landplot
PT Sulisman Graha	Under common control	Sale of landplot
PT Cahaya Fajar Properti	Under common control	Sale of landplot
PT Star Maju Sentosa	Under common control	Space rental, rental deposit
PT Maktosa Jaya Indah	Stockholder	Sale of apartment
PT Centrapacific Nusajaya	Other	Sale of apartment
Harto Djojo Nagaria	Commissioner	Sale of apartment, deposit and income of estate management
Soegianto Nagaria	Director	Sale of apartment, deposit and income of estate management
PT Jakartabaru Cosmopolitan	Joint venture	Payable on profit sharing
Yayasan Inti Prima Bangsa	Others	Management fee
PT Semarop Agung	Ultimate parent entity	Operational fee
Sumitomo Forestry (Singapore) Ltd	Shareholder of Company's subsidiary	Operational fee
Liliawati Rahardjo	Director	Sale of apartment
Ge Lilies Yamin	Unaffiliated Director	Sale of apartment, deposit and income of estate management
Adrianto P. Adhi	President Director of the Company	Deposit and income of estate management
Lexy Arie Tumiwa	Director	Sale of apartment, sale of shops, deposit and income of estate management
Herman Nagaria	Director	Sale of apartment, sale of shops, deposit and income of estate management
Theresia Mareta	Close family member of Director	Income of estate management
PT Permata Cahaya Indah	Under common control	Payables
Soetjipto Nagaria	Commissioner	Deposit for future stock subscription
Yayasan Syiar Bangsa	Other	Space rental

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

31. ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of September 30, 2018 and December 31, 2017, the Group has monetary assets and liabilities denominated in foreign currencies, as follows:

	September 30, 2018			December 31, 2017		
	Foreign Currency		Rupiah Equivalent	Foreign Currency		Rupiah Equivalent
Assets						
Cash and cash equivalents						
U.S. Dollar	US$	5,372,312	80,203,250	US$	6,117,695	82,882,525
European Euro	Euro	164,636	2,862,784	Euro	183,294	2.964.525
Australian Dollar	AUD	11,766	126,729	AUD	11,883	125,452
Others	-	-	40,129	-	-	50,142
Total assets in foreign currencies			83,232,892			86,022,644
Liabilities						
Short-term bank loan						
U.S Dollar	US$	3,000,000	44,787,000	US$	3,000,000	40,644,000
Long-term bank loan						
U.S Dollar	US$	8,155,197	121,748,929	US$	8,135,805	110,223,886
Trade payables						
U.S Dollar	US$	230,209	3,436,792	US$	438,264	5,937,602
Euro Eropa	Euro	14,534	252,717	Euro	5,550	89,761
Thailand Baht	THB	91,825	42,350	THB	8,000	3,316
Singapore Dollar	Sin$	269	2,939	Sin$	25,882	262,280
Accrued expenses						
U.S Dollar	US$	205,524	3,068,271	US$	587.865	7.964.383
Total liabilities in foreign currencies			173,338,998			165.125.228
Liabilities in foreign currencies, net			**(90,106,106)**			**(79,102,584)**

32. OPERATING SEGMENT

	As of September 30, 2018 and for the nine-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenues	2,421,822,546	1,061,847,107	307,625,999	231,798,120	4,023,093,772
Gross profit	1,191,364,052	554,604,659	107,603,840	58,526,953	1,912,099,504
Income from operations	635,768,750	355,891,420	50,910,188	3,946,251	1,046,516,609
Finance income					50,665,191
Finance costs					(517,763,464)
Profit before final tax and income tax expense					**579,418,336**

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

32. OPERATING SEGMENT (CONTINUED)

	As of September 30, 2018 and for the nine-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Final tax expense					(180,342,384)
Profit before income tax expense					**399,075,952**
Income tax expense					(6,828,925)
Profit for the period					**392,247,027**
Other information					
Segment assets	17,768,506,487	4,459,971,372	336,117,929	343,458,651	22,908,054,439
Segment liabilities	11,880,053,499	2,008,926,893	176,953,149	145,246,069	14,211,179,610
Acquisition of fixed assets and investment properties	24,955,780	55,633,599	13,477,559	6,890,392	100,957,330
Depreciation	26,990,795	153,709,061	34,765,363	13,341,111	228,806,330

	As of September 30, 2017 and for the nine-months period then ended				
	Property Development	Investment Property	Leisure & Hospitality	Others	Consolidation
Net revenues	2,531,761,019	1,002,045,727	256,472,295	204,334,246	3,994,613,287
Gross profit	1,097,339,185	488,302,145	77,159,475	51,138,233	1,713,939,038
Income from operations	477,008,389	333,856,525	21,145,475	5,058,116	837,068,505
Finance income					68,330,314
Finance costs					(472,923,130)
Profit before final tax and income tax expense					**432,475,689**
Final tax expense					(193,719,062)
Profit before income tax					**238,756,627**
Income tax expense					-
Profit for the period					**238,756,627**
Other information					
Segment assets	15,834,225,431	4,494,992,583	353,777,869	304,081,676	20,987,077,559
Segment liabilities	10,010,486,164	2,389,545,750	211,892,736	118,045,918	12,729,970,568
Acquisition of fixed assets and investment properties	28,273,714	110,307,987	39,981,668	4,295,446	182,858,815
Depreciation	29,843,821	155,241,285	30,362,971	13,424,617	228,872,694

33. SIGNIFICANT AGREEMENTS AND COMMITMENTS

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

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

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

c. On September 19, 2017, based on notarial deed No. 65 of Dewi Himijati Tandika, S.H., SPCK entered into an operational agreement named KSO Summarecon Variatata Serpong (KSO SVS) with PT Variatata (VRTT) to develop the land owned by PT Variatata located in Curug, Tangerang. Profit or loss from operations will be distributed with percentages of 70% for SPCK and 30% for VRTT. This agreement is valid until September 18, 2027.

d. On November 13, 2017, PT Bintang Mentari Indah (BNMI) obtained a credit facility from PT Permata Cahaya Indah (PCI), a related party, amounting to Rp70,000,000. This credit facility matures in 1 year and can be extended under the agreement of both parties. This credit facility bore an interest at 9.00% per annum. During the current year, there is no principal repayment due.

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

f. In 2016, PT Inovasi Jaya Properti (IVJP) and PT Bintang Mentari Indah (BNMI) obtained a credit facility from PT Sulisman Graha (SLG), a related party, amounting to Rp16,000,000 and Rp65,000,000, respectively. In 2017, BNMI obtained an additional facility amounting to Rp15,000,000, which bring the total credit facility to Rp80,000,000. This credit facility will mature in 1 year and can be extended under the agreement of IVJP and BNMI with SLG. This credit facility bore an interest at 9.25% p.a. As of December 31, of 2017, there is no principal repayment due.

g. 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.

33. SIGNIFICANT AGREEMENTS AND COMMITMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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

34. LITIGATIONS

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

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

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

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

34. LITIGATIONS (CONTINUED)

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

c. KCJA (Intervenor I) and other Defendants vs Jantje Manesah Agung (Plaintiff) in relation to land dispute over 85,940m2 of land located in Bogor. On October 29, 2015, this claim was filed to North Jakarta District Court. On April 7, 2016, KCJA has requested to intervere in this case.

   On April 3, 2017, North Jakarta District Court decided to refuse Plaintiff's claim. Based on North Jakarta District, Plaintiff filed an appeal to Jakarta High Court. As of the date of approval and authorization for issuance of these consolidated financial statements, the aforementioned case is still under review by the Jakarta Hight Court.

d. KCJA (Intervenor II) vs Jantje Manesah Agung (Plaintiff) in relation to land dispute over 82,082m2 of land located in Bogor. On December 23, 2016, this claim was filed to Bandung Administrative Court. On February 3, 2017, KCJA has requested to intervere in this case. On June 6, 2017 Bandung Administrative Court decided to granted the Plaintiff claim and declared the cancellation of decree which issued by Bogor District Land Agency. Based on Bandung Administrative Court's decision, on June 14, 2017, the Defendant (in this case Bogor District Land Agency) and Intervenor filed an appeal. On October 30, 2017, DKI Jakarta High Administrative Court issued a judgement ruling to decline Bandung Administrative Court. Based on DKI Jakarta High Administrative Court Decision, the Defendant filed an cassation appeal to Supreme Court. As of March 29, 2018, Supreme Court has made a decision to refuse the Plaintiff's appeal.

e. MKPP (Defendant I) and other Defendants vs Hj. Sukaesih Binti Suarma Alias Ny. Tjartjih Binti Suarma (Deceased Plaintiff) in relation to land dispute over 8,050m2 of land located in Bandung. On April 7, 2017, this claim was filed to Bandung District Court. Bandung district court decided to grant the Plaintiff's claim. On March 1, 2018, the Plaintiff filed an appeal to Bandung High Court. As of the completion date of the consolidated financial statements, the aforementioned case is still under review by the Bandung High Court.

f. BNMI (Intervenor II) vs Dg. Te'ne (Defendant) in relation to land dispute over 37,011m2 of land located in Pa'bentengan, Marusu, Maros. On July 20, 2016, this claim was filed at Makassar Administartive Court. On February 13, 2017, Makassar Administrative Court decided to refuse the Plaintiff's claim. Based on Makassar Administrative Court, the Plaintiff was filed an appeal. On July 12, 2017, Makassar High Administrative Court has made the decision of ruling Makasar Administrative Court's decision to be legally binding. On August 14, 2017, the Plaintiff filed a cassation appeal to Supreme Court. On November 30, 2017, Supreme Court has made a decision to refuse the Plaintiff's cassation appeal.

g. The Company (Defendant II) vs Anita Jusmanto (Plaintiff) in relation to land and building dispute over 1 unit of shophouse located in Jalan Raya Kelapa Hibrida RB-01/29C, Kelapa Gading, North Jakarta. On August 25, 2017, this claim was filed at North Jakarta District Court. As of March 21, 2018, the Plaintiff has submitted a request to repeal of the claim to the North Jakarta District Court, and the North Jakarta District Court granted the request.

h. The Company (Defendant I) vs Ny. Hj. Zakiyah (Plaintiff) in relation to land dispute over 6,980 m2 of land located in Rorotan, Cilincing, North Jakarta. On October 30, 2017, this claim was filed at North Jakarta District Court. As of the completion date of the consolidated financial statements, the aforementioned case is still under review by the North Jakarta District Court.

i. The Company (Defendant) vs PT Bhinneka Sangkuriang Transport (Plaintiff) in relation to housing development project located in Rancabolang, Gedebage, Bandung. On October 30, 2017, this claim was filed at North Jakarta District Court. As of May 31, 2018, the Bandung District Court has made decision that the Plaintiff's claim cannot be admissibility and until the deadline has been determined by the Plaintiff, the Plaintiff does not allow the law, and the decision has permanent legal force.

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

34. LITIGATIONS (CONTINUED)

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

35. EARNINGS PER SHARE

	For the nine-months period ended September 30,	
	2018	**2017**
Profit for the nine-months period attributable to the owners of the Parent Entity	203,348,159	119,444,781
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)	**14**	**8**